Moody's



Investor Day 2013

September 24, 2013

Moody's



Welcome

SALLI SCHWARTZ, GLOBAL HEAD OF INVESTOR RELATIONS

SEPTEMBER 24, 2013

Disclaimer

Certain statements contained in this presentation are forward-looking statements and are based on future expectations, plans and prospects for Moody's business and operations that involve a number of risks and uncertainties. Moody's outlook for 2013 and other forward-looking statements in this presentation are made as of September 24, 2013, and the Company disclaims any duty to supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying certain factors that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, the current world-wide credit market disruptions and economic slowdown, which is affecting and could continue to affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including credit quality concerns, changes in interest rates and other volatility in the financial markets; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government initiatives to respond to the economic slowdown; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act and anticipated regulations resulting from the law; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation to which the Company may be subject from time to time; provisions in the Dodd-Frank Act legislation modifying the pleading standards, and EU regulations modifying the liability standards, applicable to credit rating agencies in a manner adverse to rating agencies; provisions of EU regulations imposing additional procedural and substantive requirements on the pricing of services; the possible loss of key employees; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company's global tax planning initiatives; the outcome of those legacy tax matters and legal contingencies that relate to the Company, its predecessors and their affiliated companies for which Moody's has assumed portions of the financial responsibility; the ability of the Company to successfully integrate acquired businesses; currency and foreign exchange volatility; a decline in the demand for credit risk management tools by financial institutions; and other risk factors as discussed in the Company's annual report on Form 10-K for the year ended December 31, 2012 and in other filings made by the Company from time to time with the Securities and Exchange Commission.

Agenda

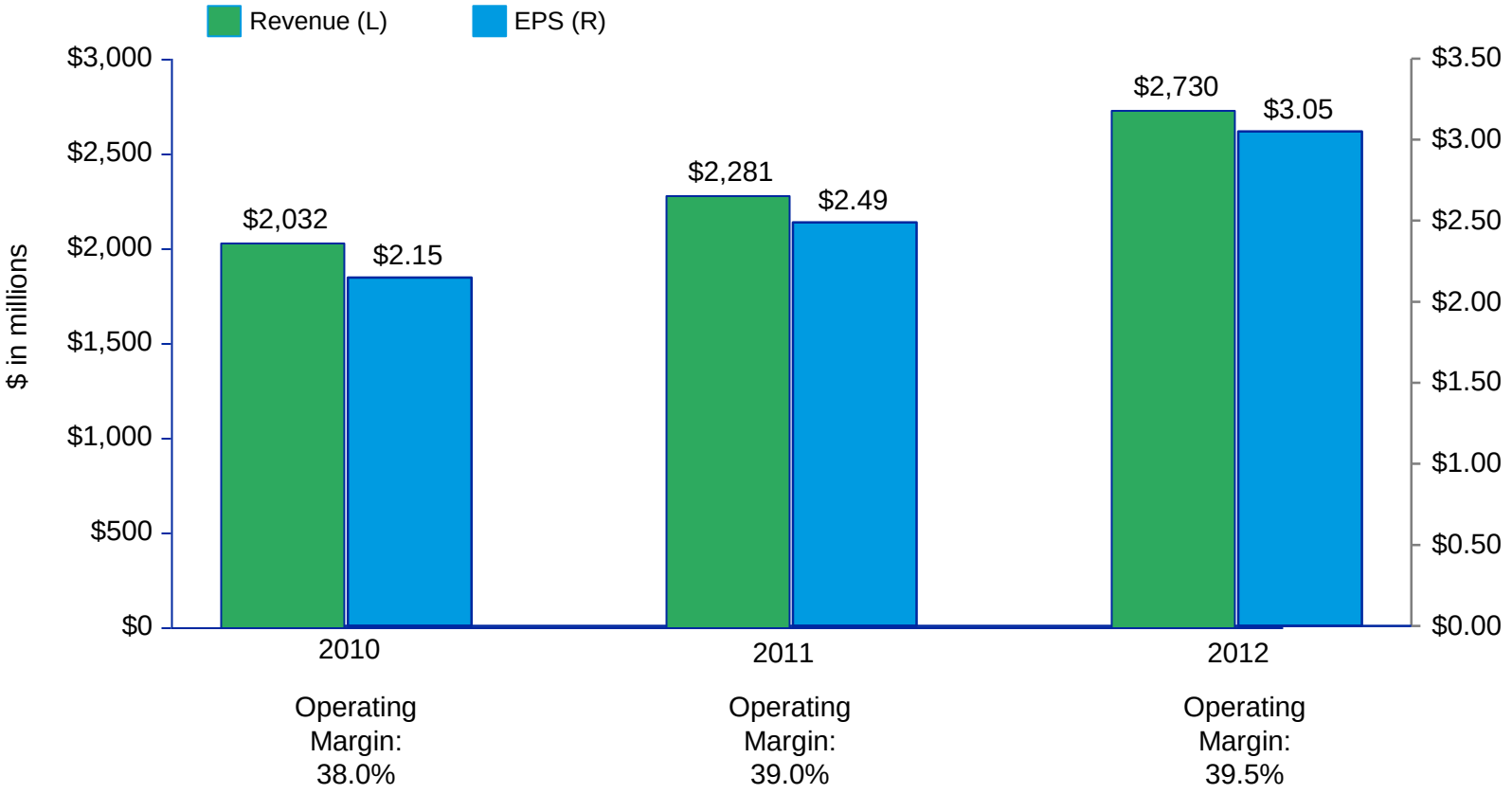
TIME	ROOM	TOPICS	SPEAKER(S)
7:00 – 8:00 am	A/B	Registration / Breakfast	
8:00 – 8:05 am	C/D	**Welcome**	**Salli Schwartz**, Global Head of Investor Relations
8:05 – 8:20 am	C/D	**Opening Remarks**	**Ray McDaniel**, President and CEO, Moody's Corporation
8:20 – 8:50 am	C/D	**Session 1:** Macroeconomic Overview	**Mark Zandi**, Chief Economist, Moody's Analytics
8:50 – 9:50 am	C/D	**Session 2:** Moody's Investors Service	**Michel Madelain**, President and COO, Moody's Investors Service **Rob Fauber**, Managing Director, Head of Commercial Group
9:50 – 10:20 am	C/D	**Session 3:** Legal / Regulatory Update	**John Goggins**, EVP and General Counsel
10:20 – 10:35 am	A/B	Break	
10:35 – 11:35 am	C/D	**Session 4:** Moody's Analytics	**Mark Almeida**, President, Moody's Analytics **Steve Tulenko**, Executive Director, Enterprise Risk Solutions
11:35 – 12:35 pm	C/D	**Session 5**: Financial Strategy	**Linda Huber**, EVP and CFO, Moody's Corporation **David Platt**, Managing Director, Head of Corporate Development **Lisa Westlake**, SVP, Chief HR Officer
12:35 – 12:45 pm	C/D	**Closing and Thanks**	**Ray McDaniel**, President and CEO, Moody's Corporation
12:45 – 1:00 pm	A/B	Light Fare and Refreshments	

Logistics

- All of today's sessions will take place in rooms C/D (where you are now)
- All refreshment breaks will be in rooms A/B (next door, to your right when you leave)
- We ask that you hold all questions until Q&A at the end of each session
- If you need assistance, please ask our event staff – identifiable by red-colored tags below their name badges – for help
- There is also an 'Information Desk' directly outside this room
- We plan to collect feedback on Moody's 2013 Investor Day via a brief survey following today's event
  - For those following our webcast, the survey link will appear at the end of the broadcast
  - Please take a few minutes to provide your feedback so that we can improve future events

Moody's Has Had Consistently Strong Financial Performance Over the Past Three Years

2010-2012 Revenue CAGR: 16%
2010-2012 EPS CAGR: 19%



How Many S&P 500 Companies Performed As Well as MCO Over the Same Period?

Starting Point: 500 Companies

A	ALL	BAX	CAH	CMS	DE	ECL	FE	GOOG	HSP	JPM	LO	MMM	NI	PCG	PRU	SCG	SYK	TXT	WHR
AA	ALTR	BBBY	CAM	CNP	DELL	ED	FFIV	GPC	HST	JWN	LOW	MNST	NKE	PCL	PSA	SCHW	SYMC	TYC	WIN
AAPL	ALXN	BBT	CAT	CNX	DFS	EFX	FIS	GPS	HSY	K	LRCX	MO	NLSN	PCLN	PSX	SE	SYY	UNH	WLP
ABBV	AMAT	BBY	CB	COF	DG	EIX	FISV	GRMN	HUM	KEY	LSI	MOLX	NOC	PCP	PVH	SEE	T	UNM	WM
ABC	AMD	BCR	CBG	COG	DGX	EL	FITB	GS	IBM	KIM	LTD	MON	NOV	PDCO	PWR	SHW	TAP	UNP	WMB
ABT	AMGN	BDX	CBS	COH	DHI	EMC	FLIR	GT	ICE	KLAC	LUK	MOS	NRG	PEG	PX	SIAL	TDC	UPS	WMT
ACE	AMP	BEAM	CCE	COL	DHR	EMN	FLR	GWW	IFF	KMB	LUV	MPC	NSC	PEP	PXD	SJM	TE	URBN	WPO
ACN	AMT	BEN	CCI	COP	DIS	EMR	FLS	HAL	IGT	KMI	LYB	MRK	NTAP	PETM	QCOM	SLB	TEG	USB	WPX
ACT	AMZN	BF.B	CCL	COST	DISCA	EOG	FMC	HAR	INTC	KMX	M	MRO	NTRS	PFE	QEP	SLM	TEL	UTX	WU
ADBE	AN	BHI	CELG	COV	DLPH	EQR	FOSL	HAS	INTU	KO	MA	MS	NU	PFG	R	SNA	TER	V	WY
ADI	ANF	BIIB	CERN	CPB	DLTR	EQT	FOXA	HBAN	IP	KR	MAC	MSFT	NUE	PG	RAI	SNDK	TGT	VAR	WYN
ADM	AON	BK	CF	CRM	DNB	ESRX	FRX	HCBK	IPG	KRFT	MAR	MSI	NVDA	PGR	RDC	SNI	THC	VFC	WYNN
ADP	APA	BLK	CFN	CSC	DNR	ESV	FSLR	HCN	IR	KSS	MAS	MTB	NWL	PH	REGN	SO	TIF	VIAB	X
ADSK	APC	BLL	CHK	CSCO	DO	ETFC	FTI	HCP	IRM	KSU	MAT	MU	NWSA	PHM	RF	SPG	TJX	VLO	XEL
ADT	APD	BMS	CHRW	CSX	DOV	ETN	FTR	HD	ISRG	L	MCD	MUR	NYX	PKI	RHI	SPLS	TMK	VMC	XL
AEE	APH	BMY	CI	CTAS	DOW	ETR	GAS	HES	ITW	LEG	MCHP	MWV	OI	PLD	RHT	SRCL	TMO	VNO	XLNX
AEP	ARG	BRCM	CINF	CTL	DPS	EW	GCI	HIG	IVZ	LEN	MCK	MYL	OKE	PLL	RL	SRE	TRIP	VRSN	XOM
AES	ATI	BRK.B	CL	CTSH	DRI	EXC	GD	HOG	JBL	LH	MCO	NBL	OMC	PM	ROK	STI	TROW	VTR	XRAY
AET	AVB	BSX	CLF	CTXS	DTE	EXPD	GE	HON	JCI	LIFE	MDLZ	NBR	ORCL	PNC	ROP	STJ	TRV	VZ	XRX
AFL	AVP	BTU	CLX	CVC	DTV	EXPE	GILD	HOT	JCP	LLL	MDT	NDAQ	ORLY	PNR	ROST	STT	TSN	WAG	XYL
AGN	AVY	BWA	CMA	CVS	DUK	F	GIS	HP	JDSU	LLTC	MET	NE	OXY	PNW	RRC	STX	TSO	WAT	YHOO
AIG	AXP	BXP	CMCSA	CVX	DVA	FAST	GLW	HPQ	JEC	LLY	MHFI	NEE	PAYX	POM	RSG	STZ	TSS	WDC	YUM
AIV	AZO	C	CME	D	DVN	FCX	GM	HRB	JNJ	LM	MJN	NEM	PBCT	PPG	RTN	SWK	TWC	WEC	ZION
AIZ	BA	CA	CMG	DAL	EA	FDO	GME	HRL	JNPR	LMT	MKC	NFLX	PBI	PPL	SAI	SWN	TWX	WFC	ZMH
AKAM	BAC	CAG	CMI	DD	EBAY	FDX	GNW	HRS	JOY	LNC	MMC	NFX	PCAR	PRGO	SBUX	SWY	TXN	WFM	ZTS

Source: FactSet

EPS CAGR ≥ 19%*

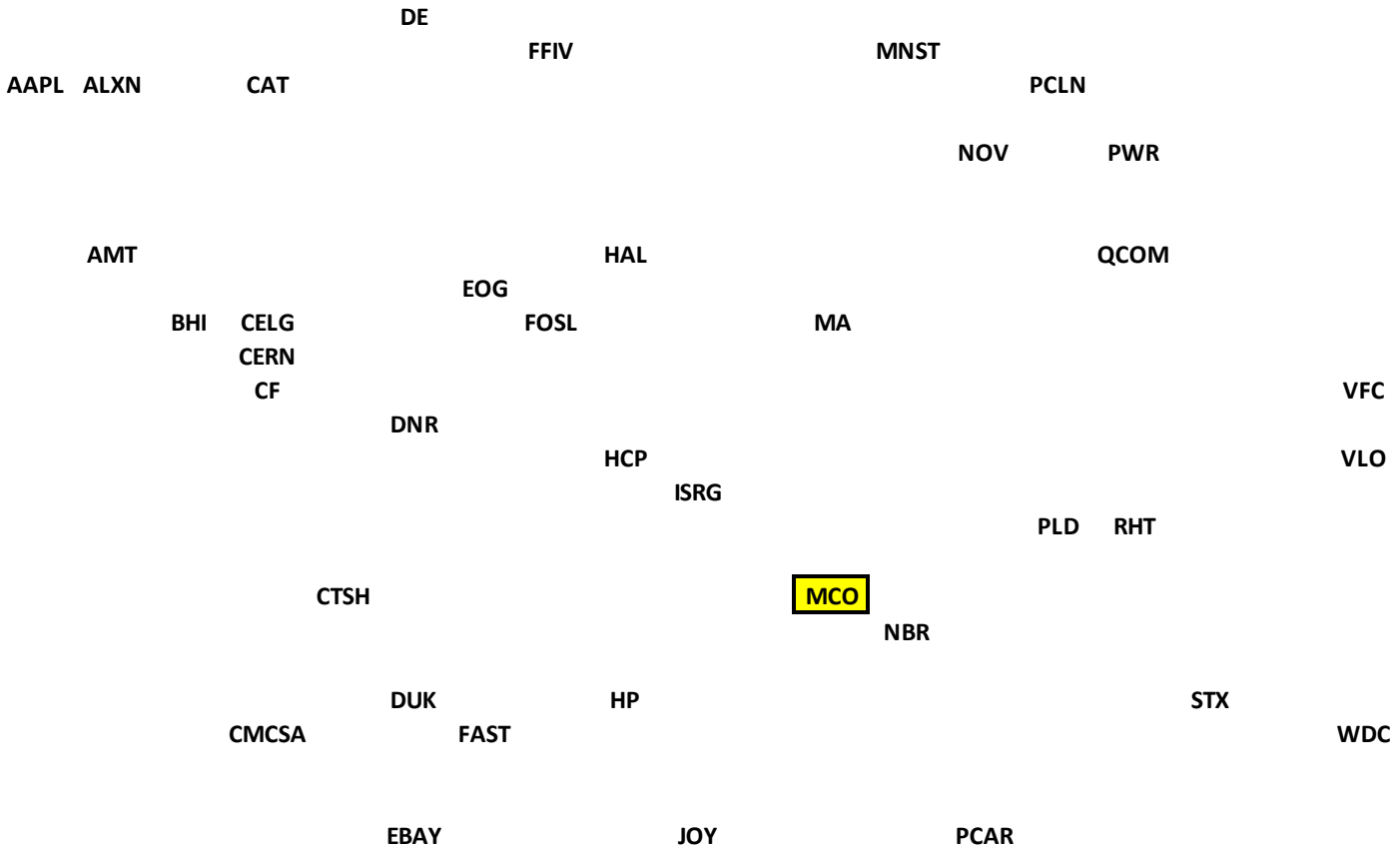
148 Companies

	ALL	BAX		DE													TXT	
		BBBY				FFIV					MNST			PSA	SCHW	SYMC		
AAPL	ALXN	BBT	CAT	DFS								NLSN	PCLN					
									KEY	LSI				PVH				
			CBG		EL	FITB					MON	NOV		PWR	SHW		UNP	
			CBS	DHI				ICE						PX				
ACN	AMT						HAL	IGT			MRK		PETM	QCOM			USB	
				DISCA	EOG	FMC				M					SLM			
	AN	BHI	CELG			FOSL		INTU		MA				R				
	ANF	BIIB	CERN	DLTR		FOXA	HBAN		KR			NUE						
			CF					IPG		MAR	MSI	NVDA			SNI		VFC	WYNN
			CFN	DNR				IR				NWL						
	APC				ETFC		HCP		KSU						SPG	TJX	VLO	
			CHRW				HD	ISRG						RHI				
				CTAS				ITW	LEG		MWV		PLD	RHT				
	ARG							IVZ	LEN	MCK	MYL		PLL					XOM
AES	ATI			CTSH			HOG	JBL		MCO								
	AVB	BSX					HON				NBR	ORCL		ROP				XRX
			CLX	DTV			HOT					ORLY		ROST				
			CMA	DUK			HP								STX			YHOO
		BXP	CMCSA		FAST			JEC					POM		STZ		WDC	YUM
	AZO											PBCT			SWK	TWC		
AIZ	BA			DAL								PBI					WFC	ZMH
			CMI	EBAY	FDX	GNW		JOY	LNC	MMC		PCAR	PRGO		SWY		WFM	

*3-Year (2010-2012) EPS CAGR. Source: FactSet.

EPS CAGR ≥ 19% + Revenue CAGR ≥ 16%*

38 Companies



*3-Year (2010-2012) EPS CAGR, 3-Year (2010-2012) Revenue CAGR. Source: FactSet.

EPS CAGR ≥ 19% + Revenue CAGR ≥ 16% + Margin ≥ 39%*

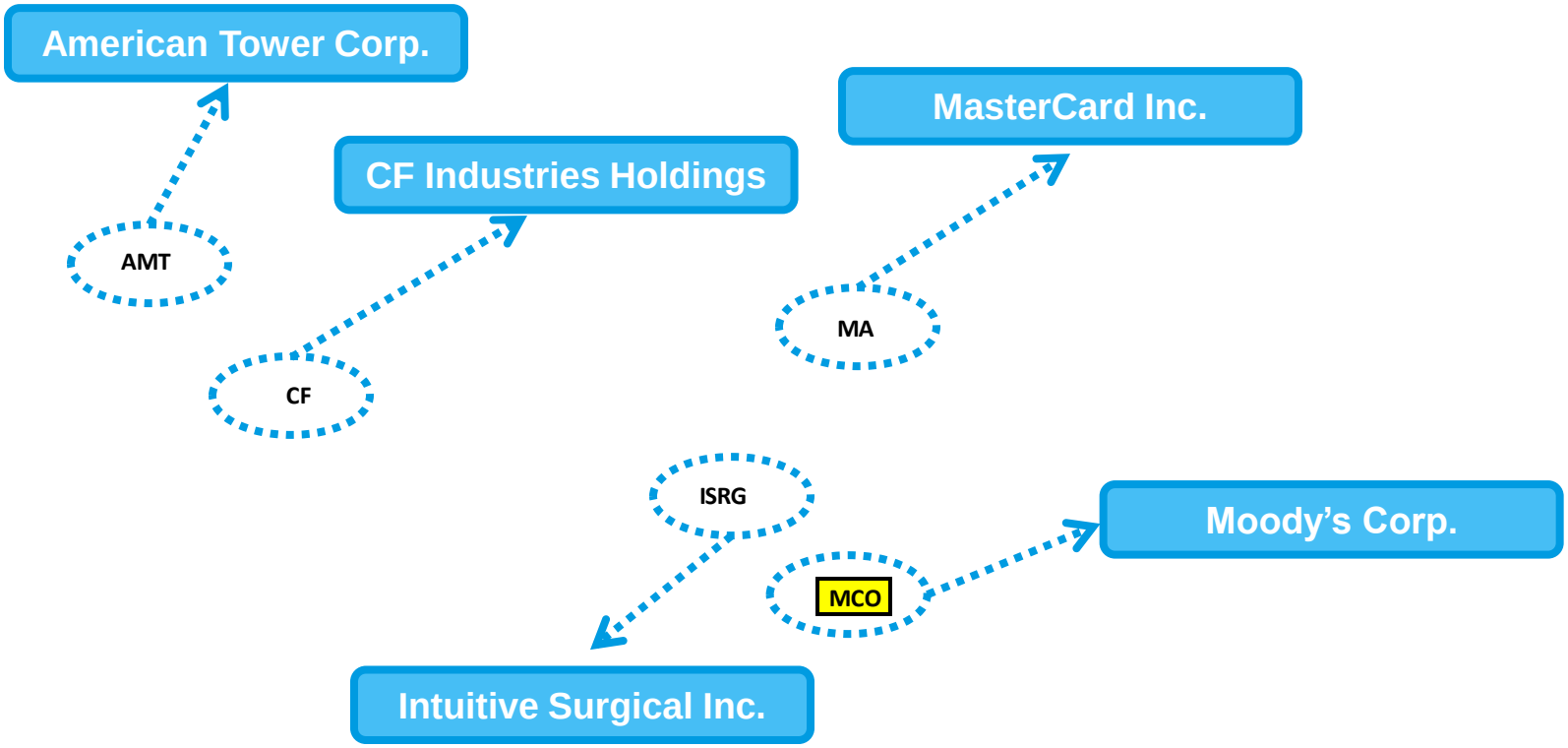
5 Companies



*3-Year (2010-2012) EPS CAGR, 3-Year (2010-2012) Revenue CAGR, 3-Year (2010-2012) Average Operating Margin. Source: FactSet.

EPS CAGR ≥ 19% + Revenue CAGR ≥ 16% + Margin ≥ 39%*

5 Companies



*3-Year (2010-2012) EPS CAGR, 3-Year (2010-2012) Revenue CAGR, 3-Year (2010-2012) Average Operating Margin. Source: FactSet.

S&P 500 Company Screen Results by EPS Growth, Revenue Growth and Operating Margin

COMPANY NAME	REVENUE CAGR (2010-2012)	OPERATING MARGIN (AVG., 2010-2012)	EPS CAGR (2010-2012)	DIVIDEND YIELD (9/17/13)	DIVIDEND PAYOUT RATIO (LTM)	FORWARD 12-MONTH P/E
AMERICAN TOWER CORPORATION	20%	39%	31%	1.5%	63%	32.4x
MasterCard	16%	48%	25%	0.4%	7%	22.7x
INTUITIVE SURGICAL	24%	40%	30%	N/A	N/A	22.2x
MOODY'S	16%	39%	19%	1.4%	22%	17.6x
CF Industries	24%	40%	142%	0.8%	6%	8.7x

Source: FactSet

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Opening Remarks

Session Overview

1. Guidance
2. Ongoing Growth Opportunities
3. Concluding Thoughts

Full-Year 2013 Guidance as of September 24, 2013

» **Revenue:**	High-single-digit % growth range
» **Operating Expenses:**	Mid-single-digit % growth range, includes 1Q litigation settlement charge
» **Operating Margin:**	41% to 42%, includes 1Q litigation settlement charge
» **Adjusted Operating Margin*:**	44% to 45%, includes 1Q litigation settlement charge
» **Effective Tax Rate:**	Approximately 32%
» **Earnings Per Share**:**	$3.49 - $3.59, excludes 1Q litigation settlement charge
» **Share Repurchases:**	Approximately $1 billion (subject to available cash, market conditions and other ongoing capital allocation decisions)
» **Capital Expenditures:**	Approximately $50 million
» **Depreciation & Amortization:**	Approximately $100 million
» **Incremental Compliance & Regulatory Expenses:**	Approximately $10 million to $15 million
» **Free Cash Flow***:**	Approximately $850 million

*See Appendix for reconciliation of Operating Margin to Adjusted Operating Margin.
** See Appendix for reconciliation of 2013 forecasted Non-GAAP EPS to forecasted GAAP EPS.
***See Appendix for reconciliation of Cash Flow from Operations to Free Cash Flow.

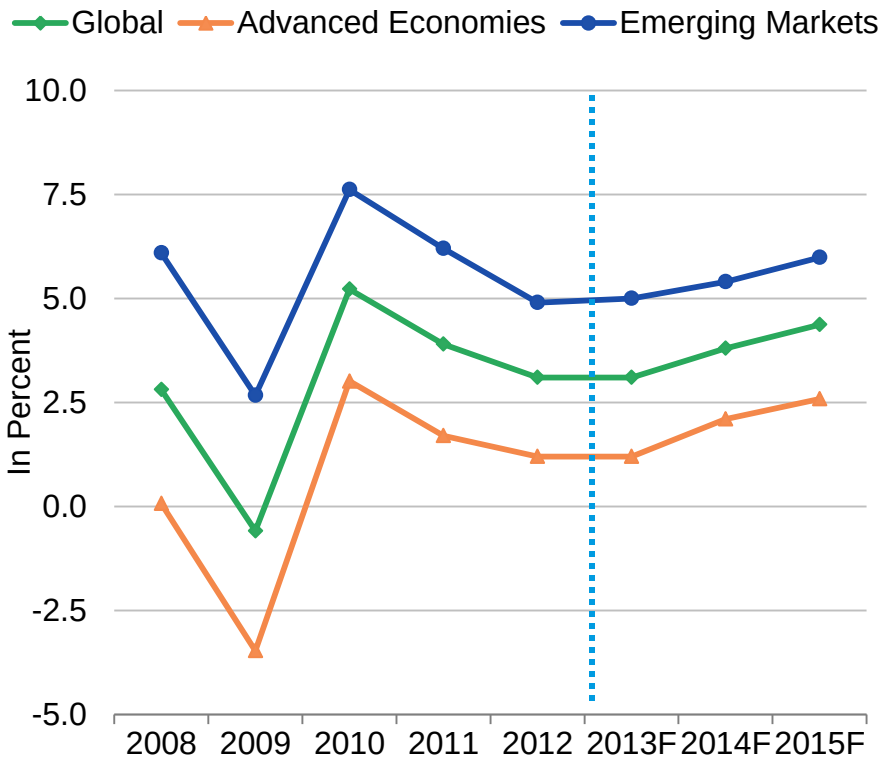
Strong Secular Trends Continue to Provide Long-Term Growth Opportunities; However, MIS Remains Subject to Cyclical Issuance Activity

Debt market issuance driven by **global GDP growth**	**Disintermediation** of credit markets in both developed and emerging economies driving both issuance and demand for new products and services	**Growth in Moody's Analytics** driven by further penetration of MA's client base and expansion of bank and insurance risk regulatory requirements	**Pricing** initiatives aligned with value
~2-4%	~2-3%	~2-3%	~4%

Revenue Growth Opportunity: Low Double-Digit % (on average)

Global GDP is Expected to Increase, with Regional Differences

GDP Growth Rates
(Historical and Forecast)

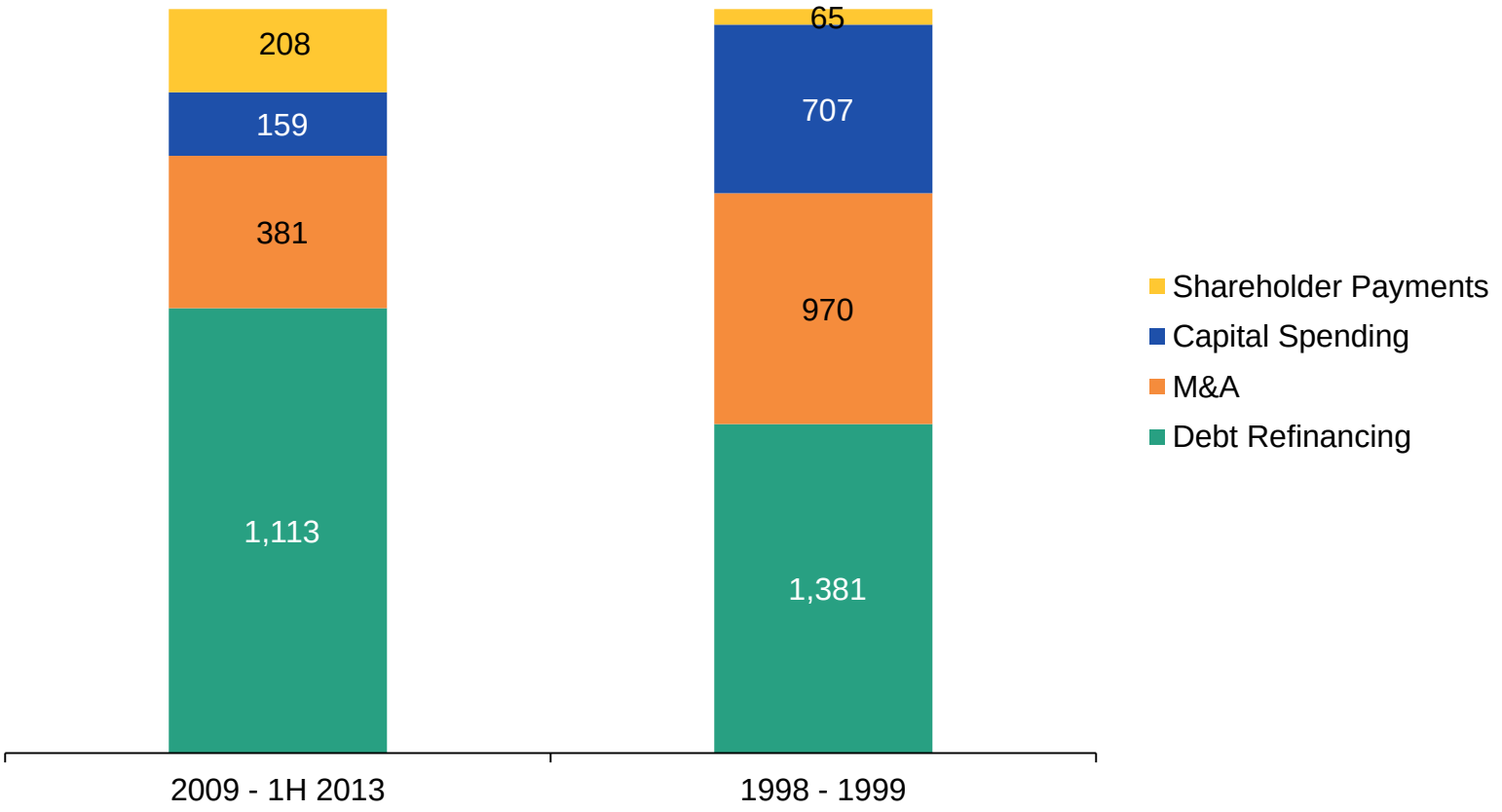


Average Annual GDP Growth
(Historical and Forecast)

	2008-2012 ACTUAL	2013-2015 FORECAST
Global	2.9%	3.8%
Advanced Economies	0.5%	2.0%
Emerging Markets	5.5%	5.5%

Source: IMF, real GDP growth rates, as of July 2013.

Uses of Proceeds from Bond and Bank Loan Issuance*



*Average annual count of mentions for each respective period in bond issue or bank loan program tranche documents. Uses of funds from USD investment grade bonds, high yield bonds, and high yield bank loan programs. Excludes issues of less than $25 million and general corporate purposes only. An Issue can have multiple purposes.
Source: Dealogic, Moody's Capital Markets Research Group.

Disintermediation Adds to the Stock of Outstanding Debt

Banking stress / capacity

- In Europe, banks are not providing traditional levels of funding
- In Asia, economic growth is outstripping the capacity of banks
- Both lead to increased financing through the bond markets

Financing costs

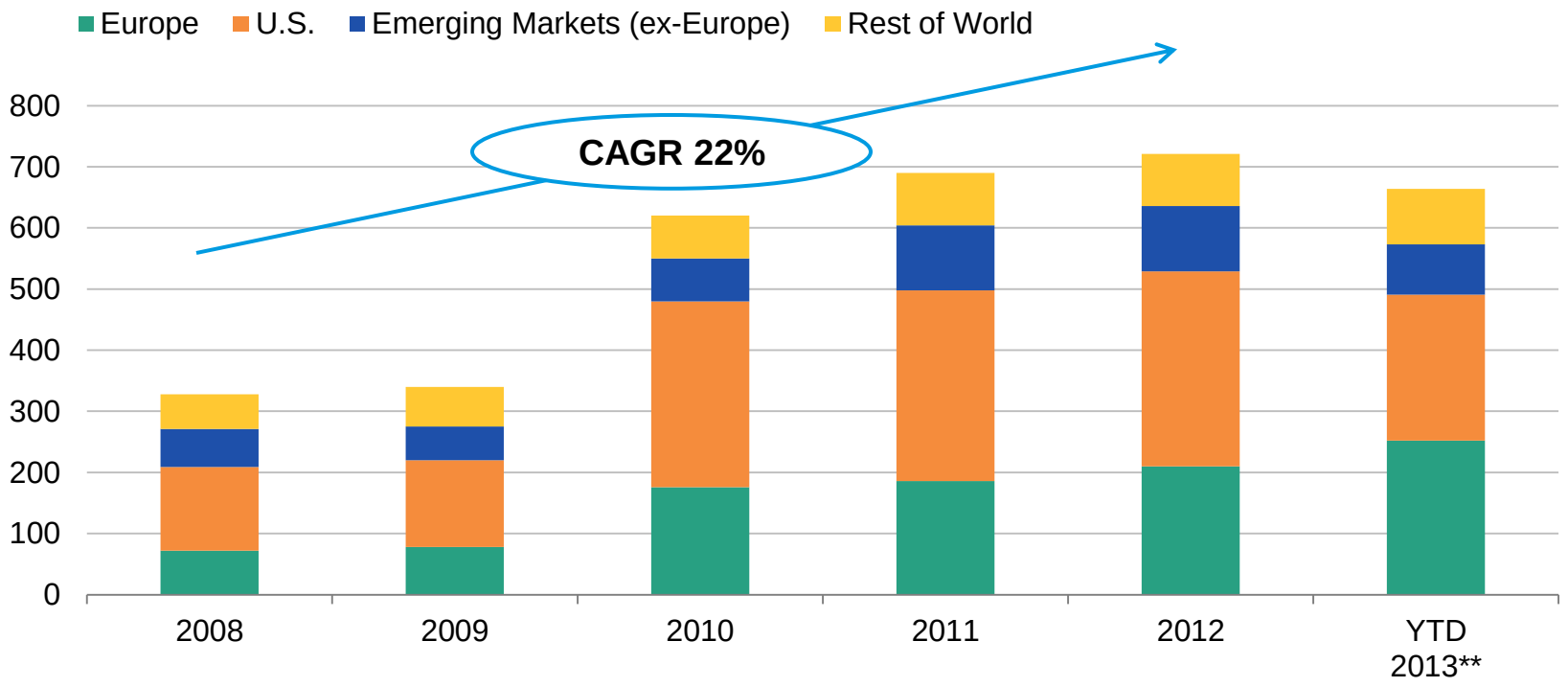
- Interest rates are still relatively low on a historical basis
- Spreads remain attractive for most borrowers

Investor demand

- After seeing outflows in June, bond funds have experienced positive inflows through the first week of September
- Investors are demanding variable-rate paper, while banks want to delever, which drives the rated loan market

We Continue to See Newly Rated Corporate Issuers Accessing Global Bond Markets

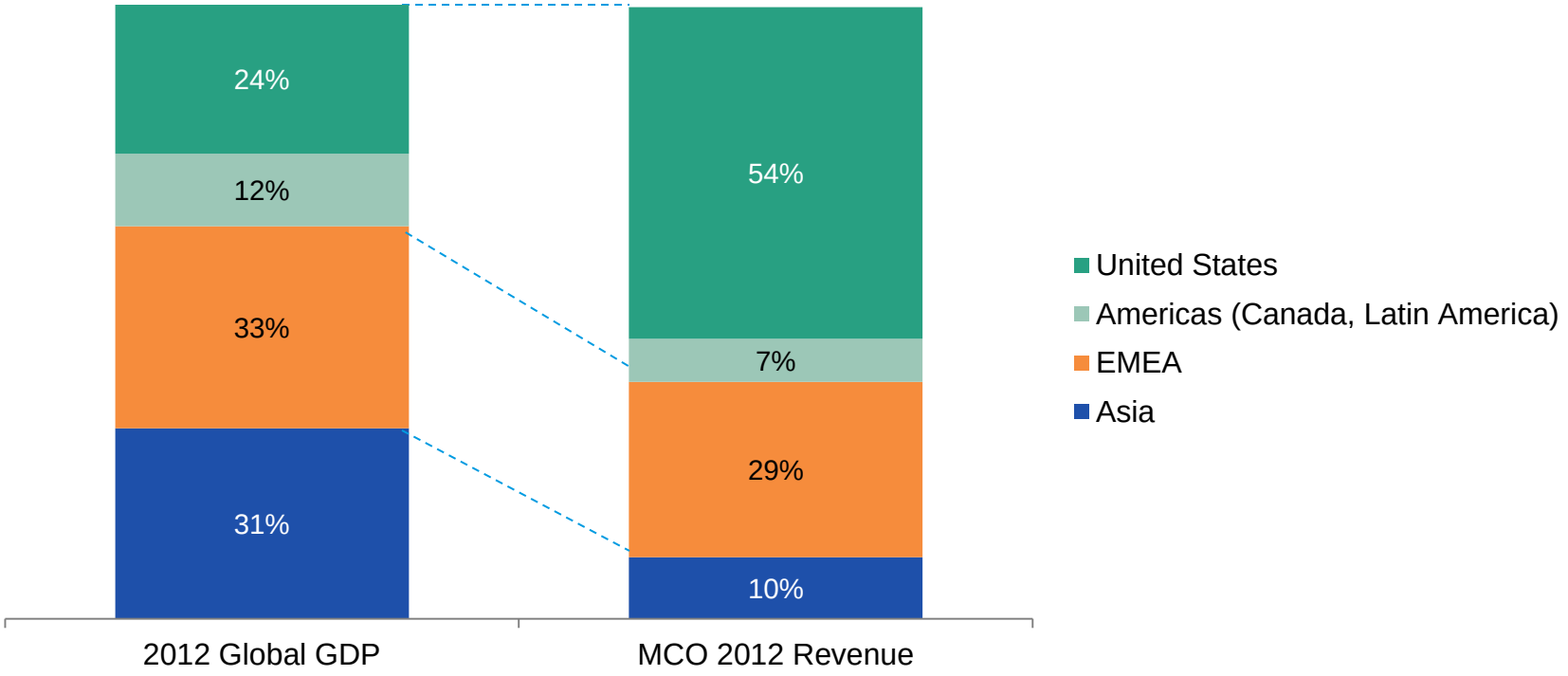
Annual Count of Newly Rated Non-Financial Corporate Issuers*



Source: Moody's Investors Service.
*Rated by Moody's Investors Service.
**YTD 2013 data as of September 17, 2013.

Relative to GDP, Moody's has Further Revenue Opportunity in Developing Markets

» U.S. revenues are higher relative to GDP while Asia is lower



Source: IMF

Moody's Analytics has Multiple Platforms for Growth

- **RD&A** has been resilient throughout the financial crisis and is well-positioned for higher growth driven by innovation in debt capital markets
- **ERS** benefits from financial services regulation, which continues to evolve globally and creates ongoing demand for better risk models, analytics, software and training
- **Professional Services** capabilities are integrated with other MA offerings to deliver a more complete risk management solution and deepen customer reliance on MA

Focused on delivering need-to-have products and services

Pricing and New Product Development Further Contribute to Growth

Pricing strategy

- Pricing opportunities aligned with value
- Issuance activities in areas where we have increased price provides a knock-on effect

New product development

- Enhancements to MIS' suite of rating services
- Ongoing upgrades to MA's research products and regulatory reporting software

Summary Thoughts

- The long-term secular drivers for our business remain intact and robust
- We may see a cyclical bump in the road…that's fine
- We are focused on execution:
  - Defend and enhance the core ratings and research businesses
  - Invest in strategic growth opportunities
  - Return capital to shareholders

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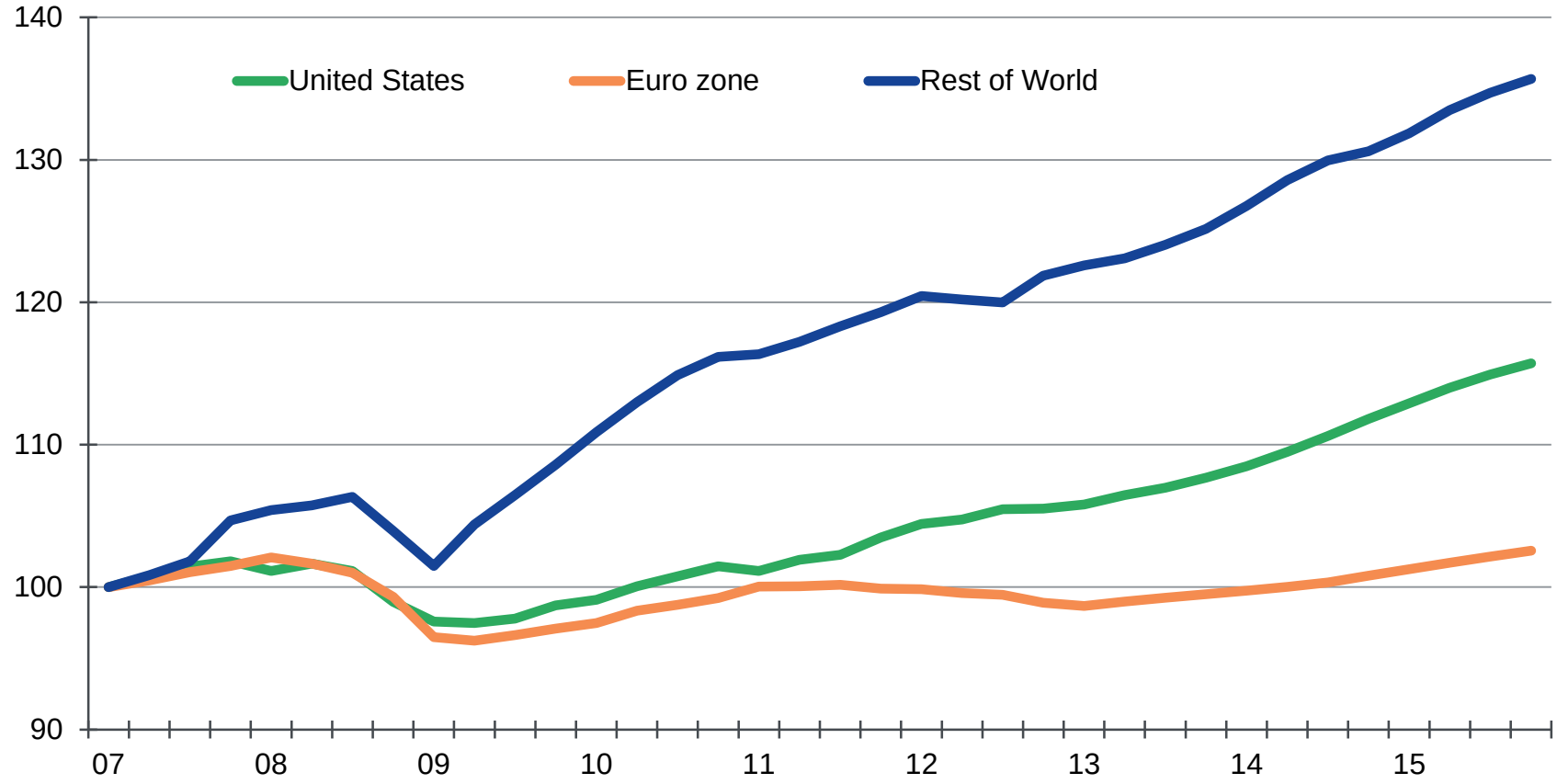
Session 1: Macroeconomic Overview

MARK ZANDI, CHIEF ECONOMIST, MOODY'S ANALYTICS

SEPTEMBER 24, 2013

EM Leads…Euro Zone Lags

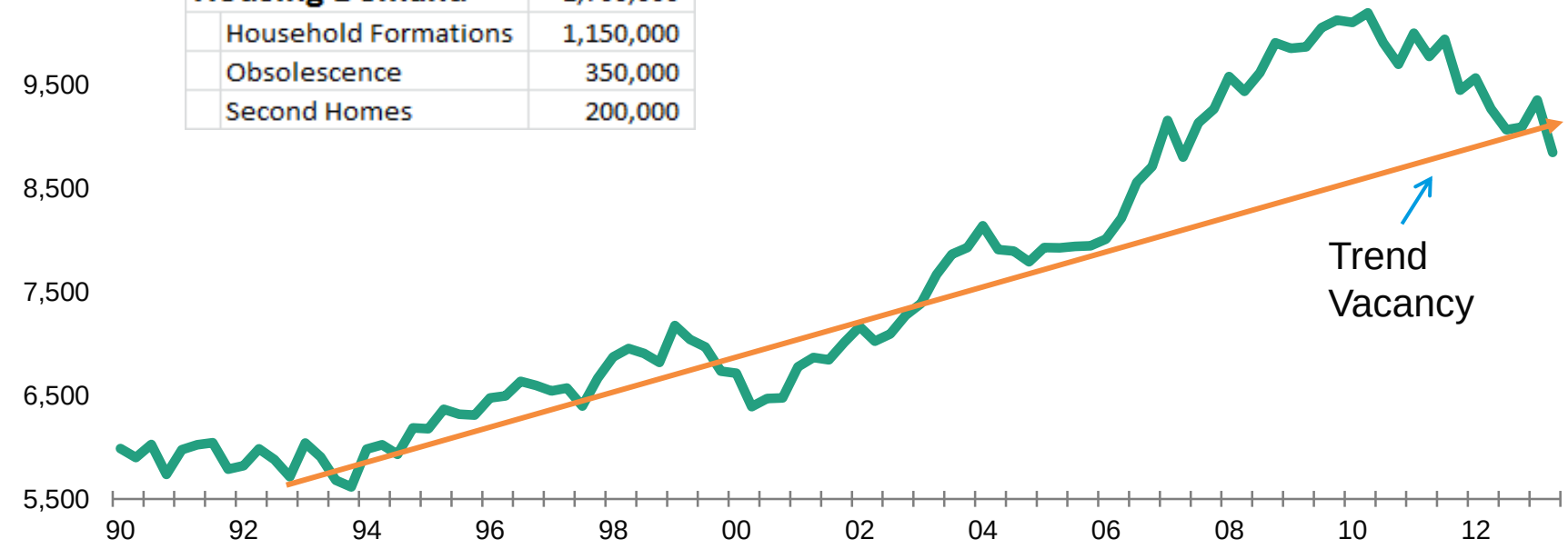
Real GDP Forecast, Index: 2007 = 100



Source: Moody's Analytics

U.S. Housing Will Soon Be Undersupplied

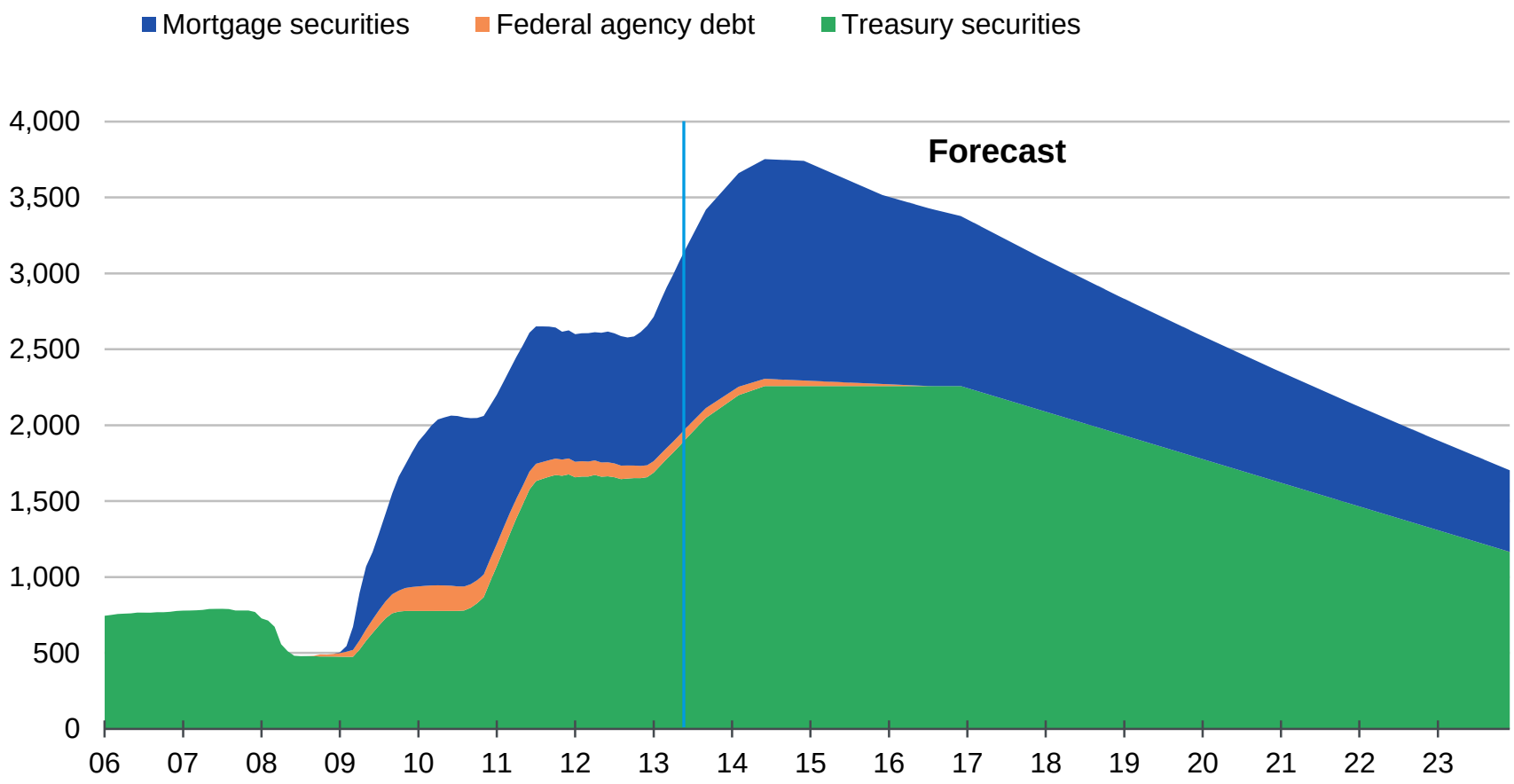
Housing Supply	950,000
Single-family	600,000
Multifamily	300,000
Manufactured Housing	50,000
Housing Demand	1,700,000
Household Formations	1,150,000
Obsolescence	350,000
Second Homes	200,000



Sources: U.S. Census, Moody's Analytics

Long, Tricky Road For the Federal Reserve

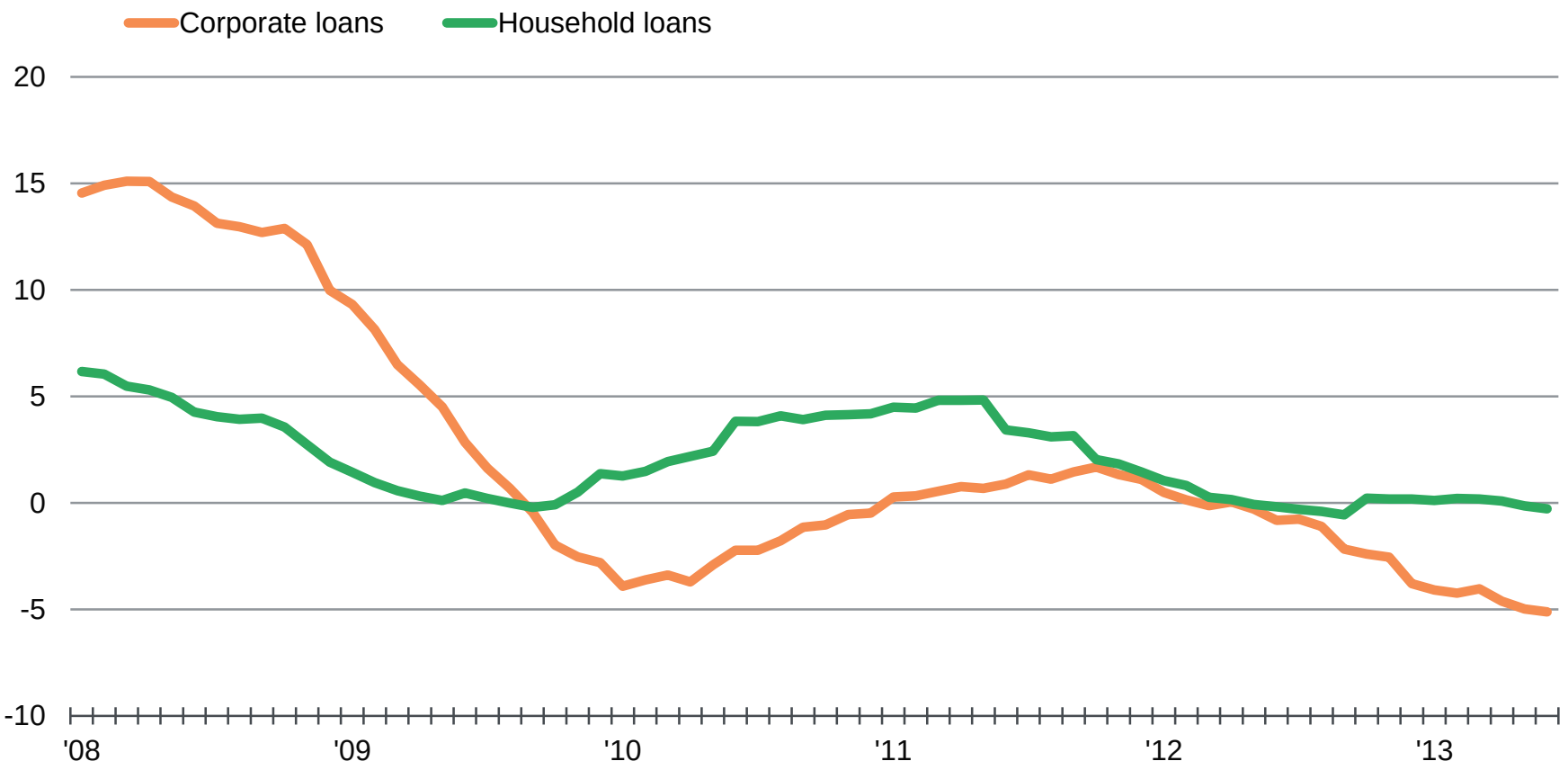
Assets held outright on the Fed's balance sheet, $ billions



Source: Moody's Analytics

Europe's Credit Spigot Must Open

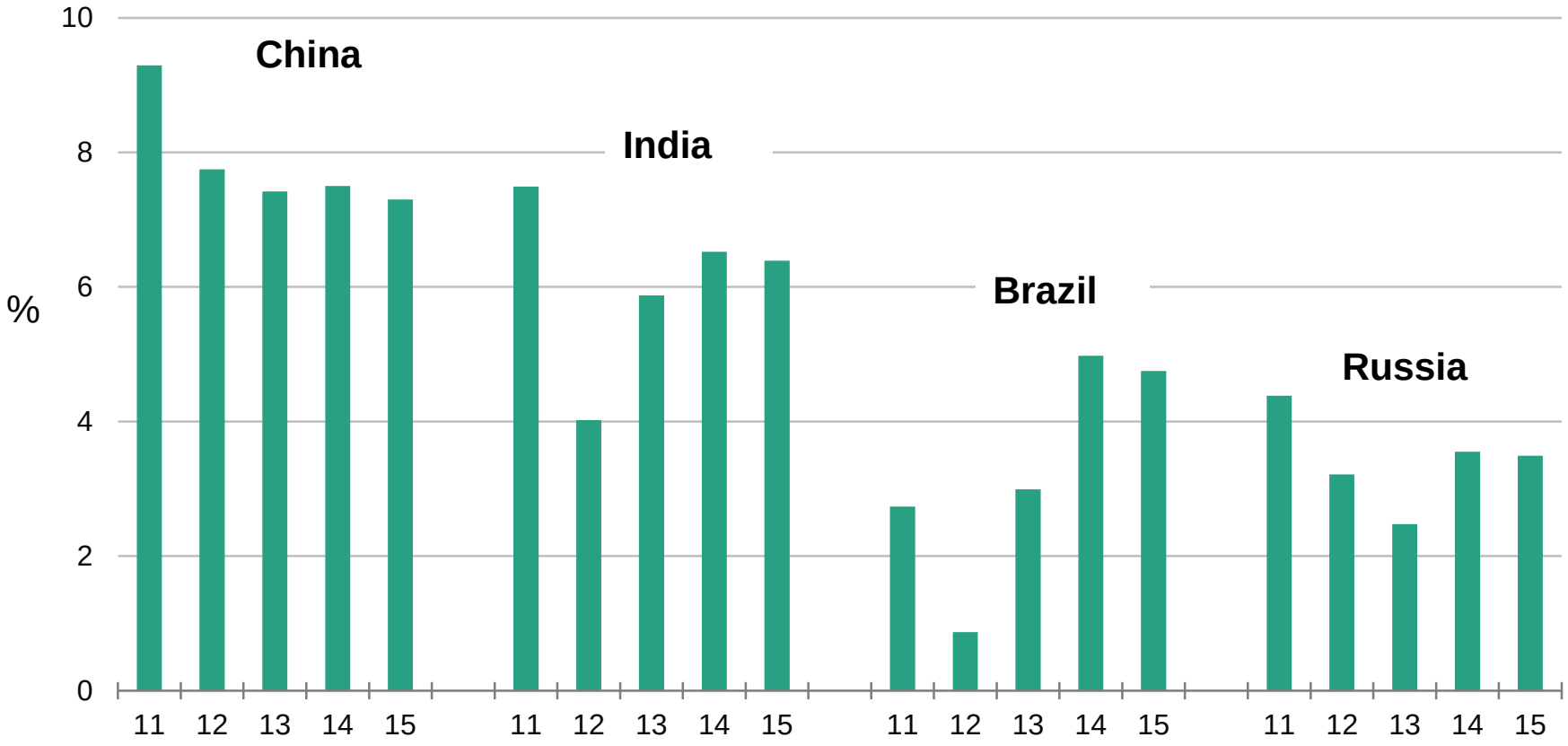
Growth in loans outstanding, % change year ago



Sources: ECB, Moody's Analytics

Emerging Markets Settle Into Their Potential

Real GDP growth



Sources: Government sources, Moody's Analytics

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Q&A

MARK ZANDI, CHIEF ECONOMIST, MOODY'S ANALYTICS

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Session 2: Moody's Investors Service - Long-Term Fundamentals Support Growth

MICHEL MADELAIN, PRESIDENT & CHIEF OPERATING OFFICER, MOODY'S INVESTORS SERVICE
ROB FAUBER, MANAGING DIRECTOR, HEAD OF COMMERCIAL GROUP

09.24.2013

Session Overview

1. **Positive Long-Term Fundamentals**
2. **Further Growth Opportunities**

Positive Long-Term Fundamentals

Key Strategic Themes



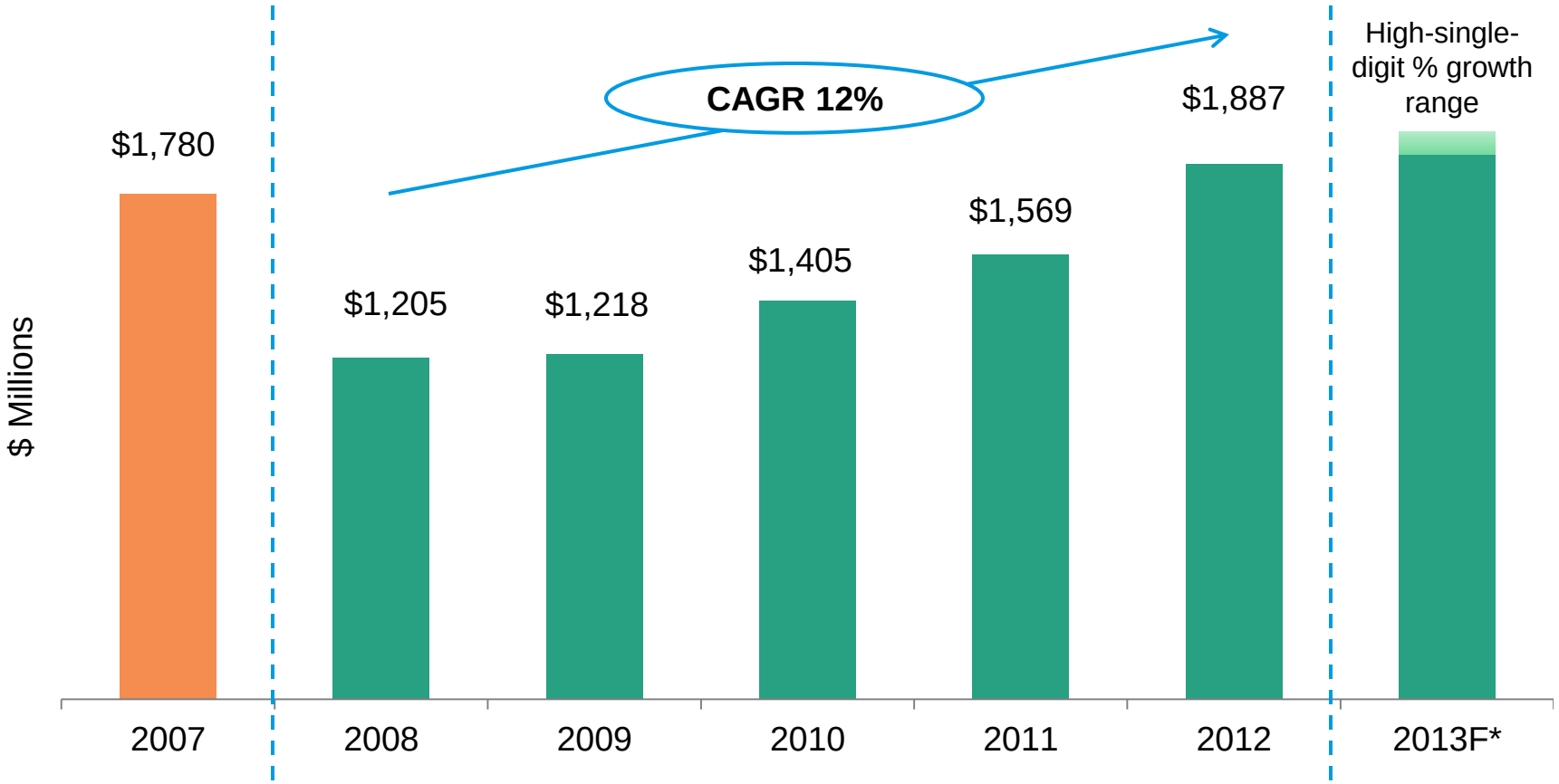
Strong Market Fundamentals Unchanged

- MIS has benefited from generationally low interest rates over the past several years
- Rising rates will likely impact issuance volumes
- However, strong market fundamentals are intact and combined with improved economic outlook should drive future growth

Tailwinds	Headwinds
Global economic recovery	Rising interest rates
Disintermediation	Competitive landscape
Growth of emerging economies	Evolving legal and regulatory environment

MIS Has Achieved Strong Revenue Growth Since the Crisis

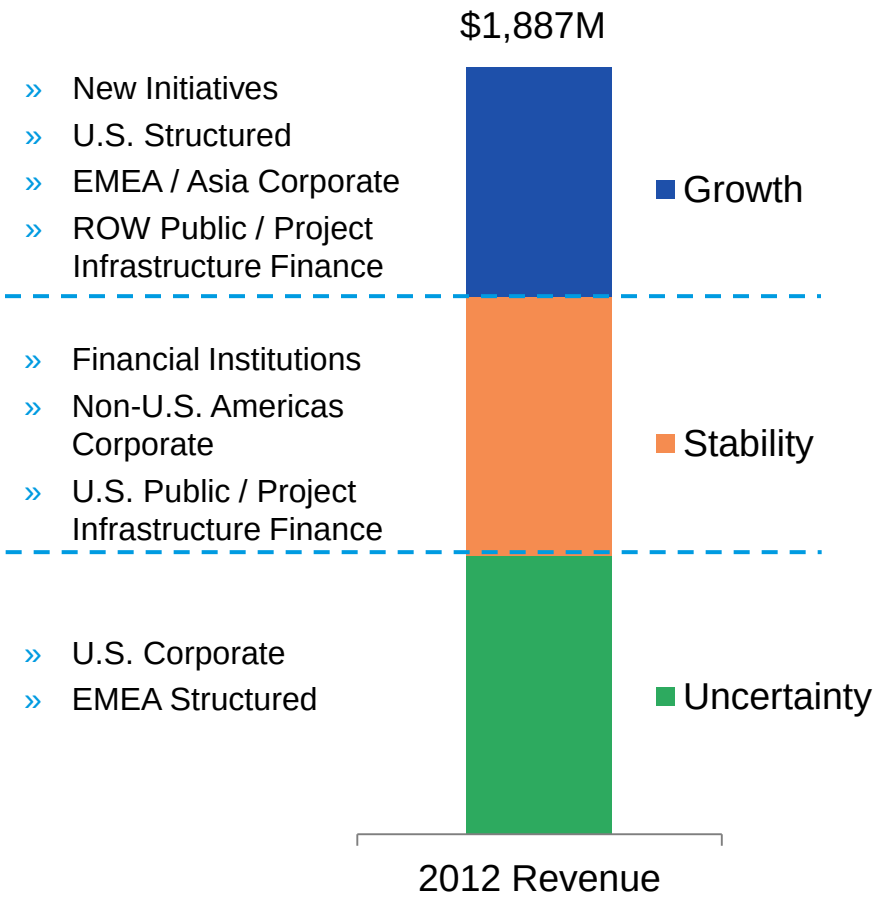
MIS revenue for full-year 2013 is expected to increase in the high-single-digit percent range



*Guidance as of September 24, 2013.

MIS "Portfolio" of Ratings Sectors

Different growth rates reflect various demand drivers



Growth

- Disintermediation continues
- Pent-up demand for global infrastructure
- US securitization, housing market recovery
- Growth in emerging markets

Stability

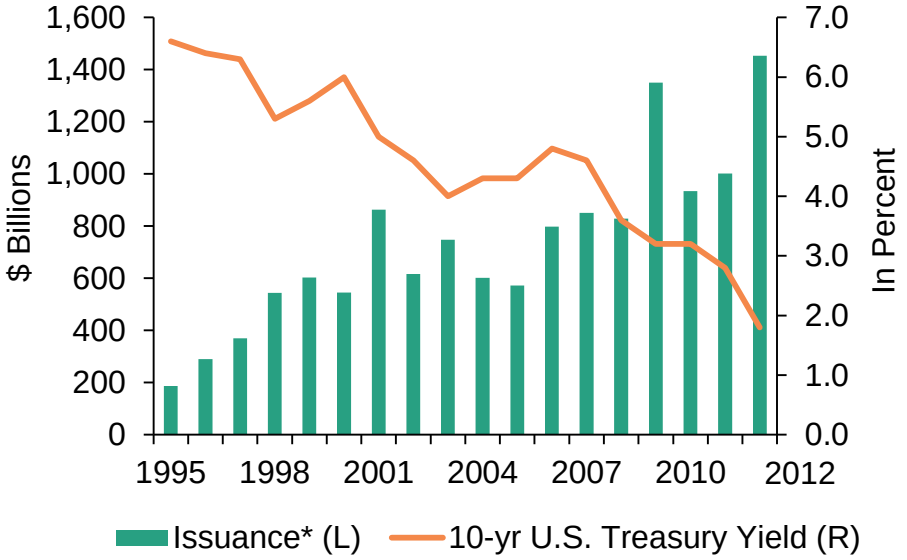
- Recurring revenue base
- US PFG more closely tied to GDP growth

Uncertainty

- Rising interest rates
- EMEA SFG challenged in short-term

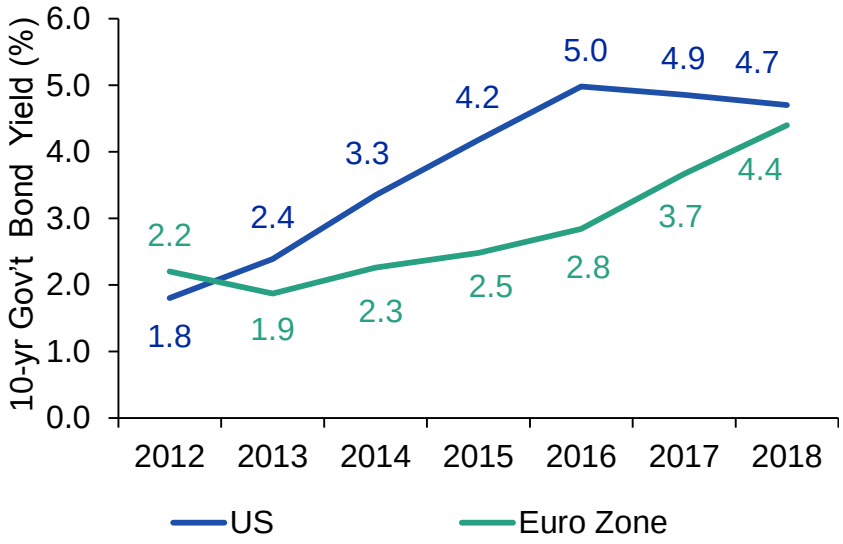
Impact of Interest Rates on Issuance

Global Corporate Rated Issuance and Interest Rates



*Includes non-financial corporate investment grade and high-yield bond issuance
Source: Dealogic, Moody's Capital Markets Research Group.

Interest Rate Forecast



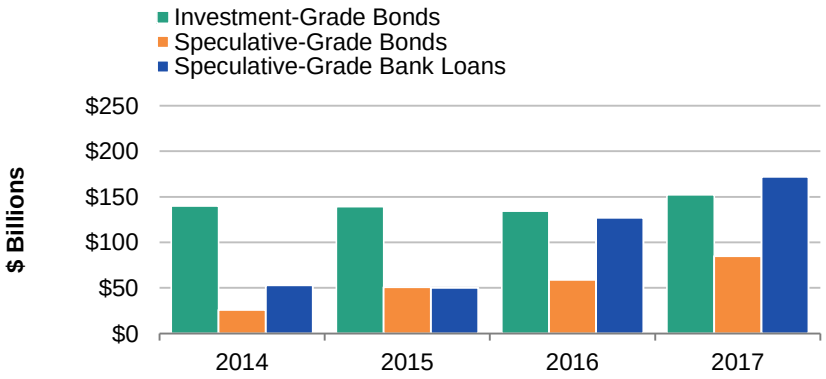
Source: Moody's Analytics.

Implications

- Increase in rates expected to reduce opportunistic refinancing, particularly in US
- May be offset by economic recovery, capital expenditures and M&A activity
- Reduction in bank issuance may support more corporate bond issuance

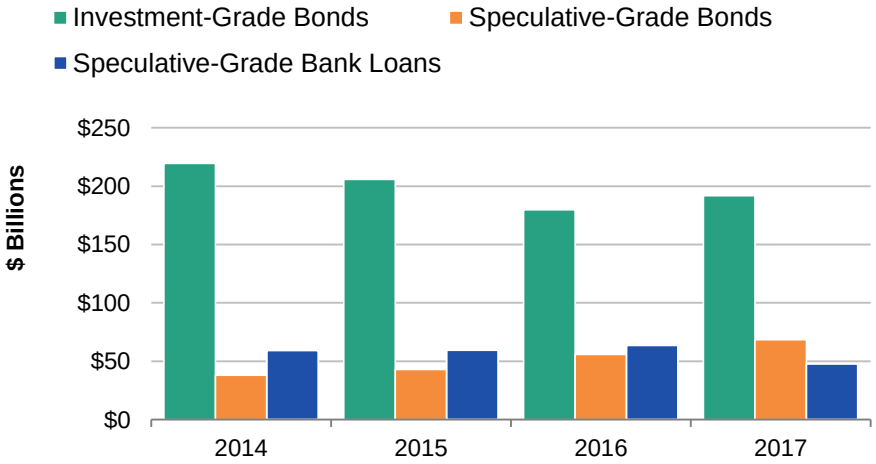
Non-Financial Corporates Have Significant Refunding Needs, Especially in 2016 and 2017

Debt Maturities: U.S. Moody's-Rated Corporate Bonds and Loans



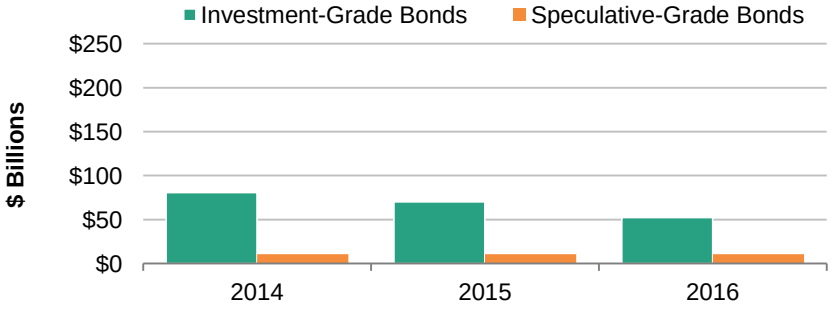
Source: Moody's Investors Service, February 2013.

Debt Maturities: EMEA Moody's-Rated Corporate Bonds and Loans



Source: Moody's Investors Service, July 2013.

Debt Maturities: Asia Pacific Moody's-Rated Corporate Bonds and Loans



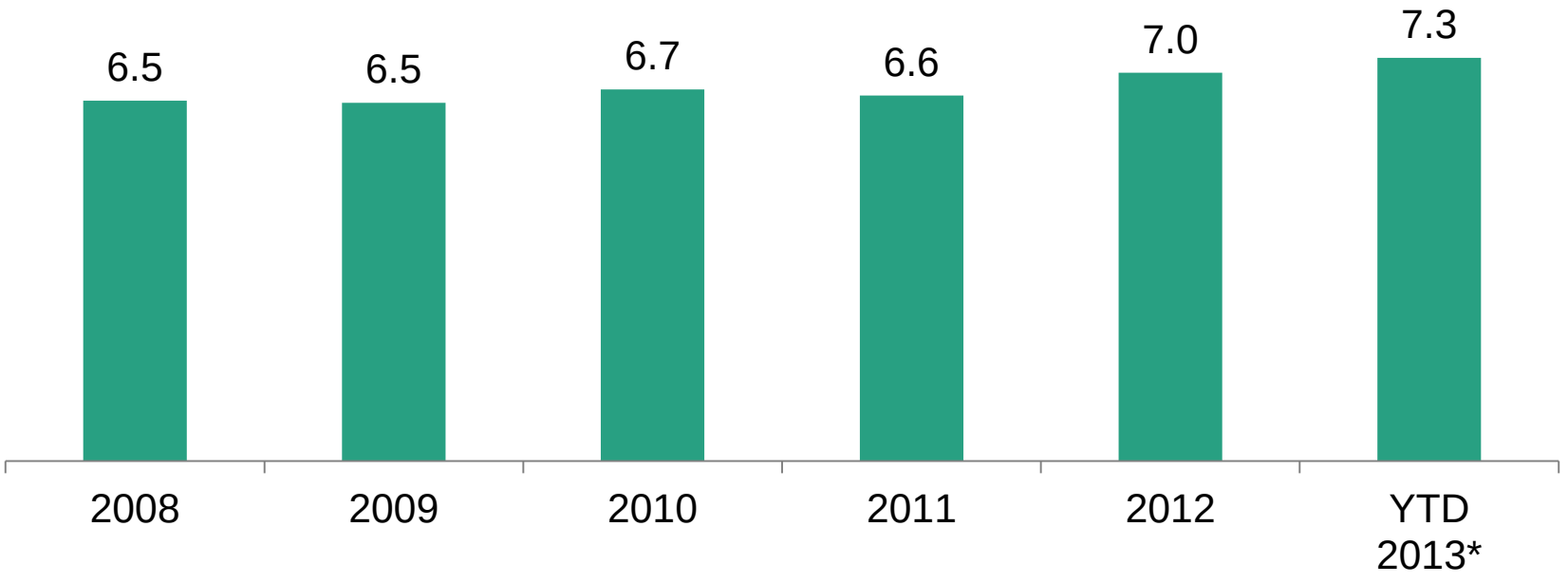
Sources: Moody's Investors Service and Bloomberg, February 2013.

- Outstanding debt levels indicate record USD debt maturities over the next 10 years:
  - $1.5 trillion of U.S. non-financial corporate investment grade bonds
  - $1.1 trillion of U.S. speculative grade bonds

Source: Barclays, July 31, 2013.

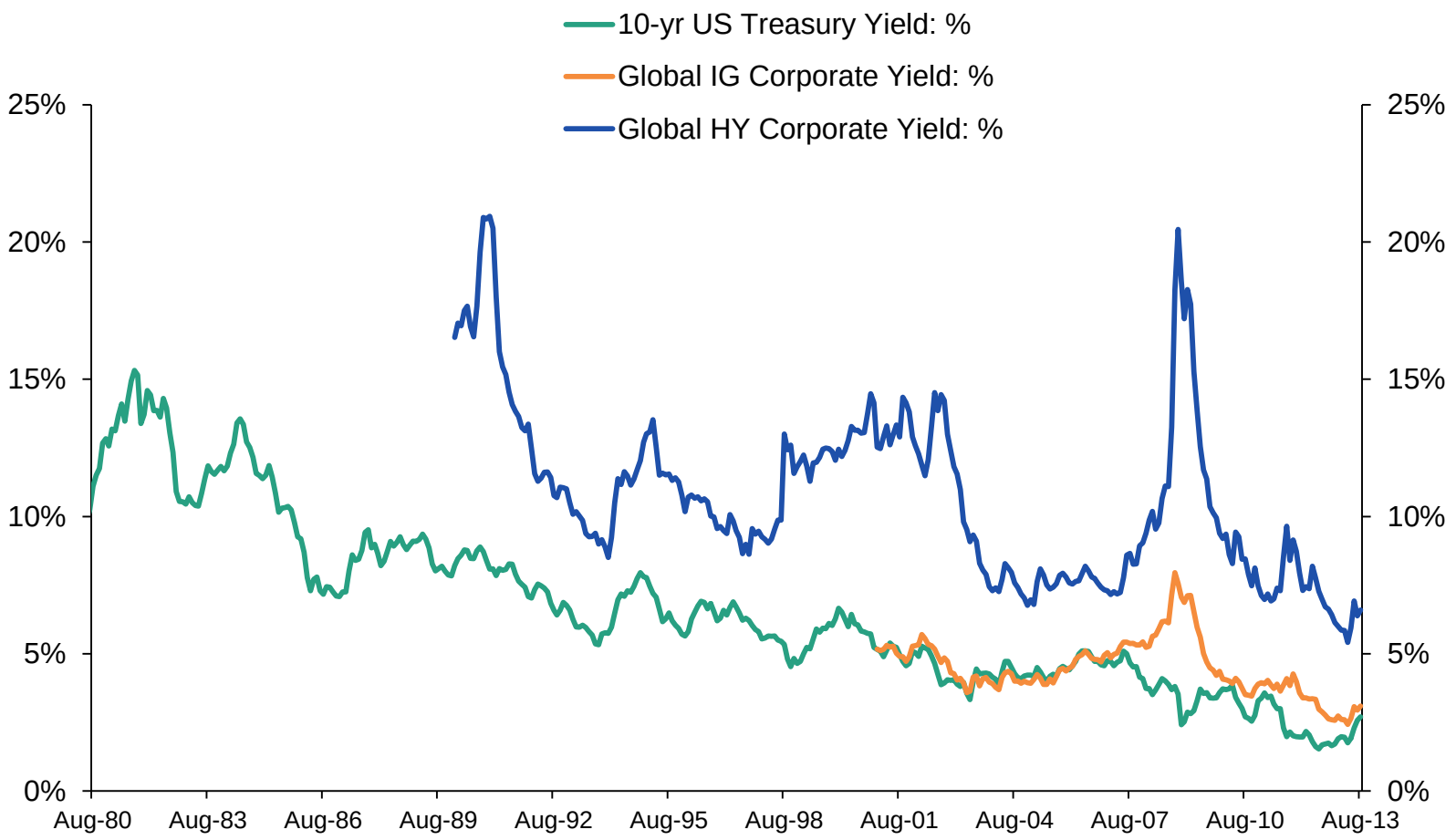
Despite a Sustained Period of Low Interest Rates, Average Years to Maturity Exhibit Stability

Average Years To Maturity: Global Corporate Issues



*Year-to-date through September 2013.
Sources: Moody's Capital Markets Research Group, Dealogic.

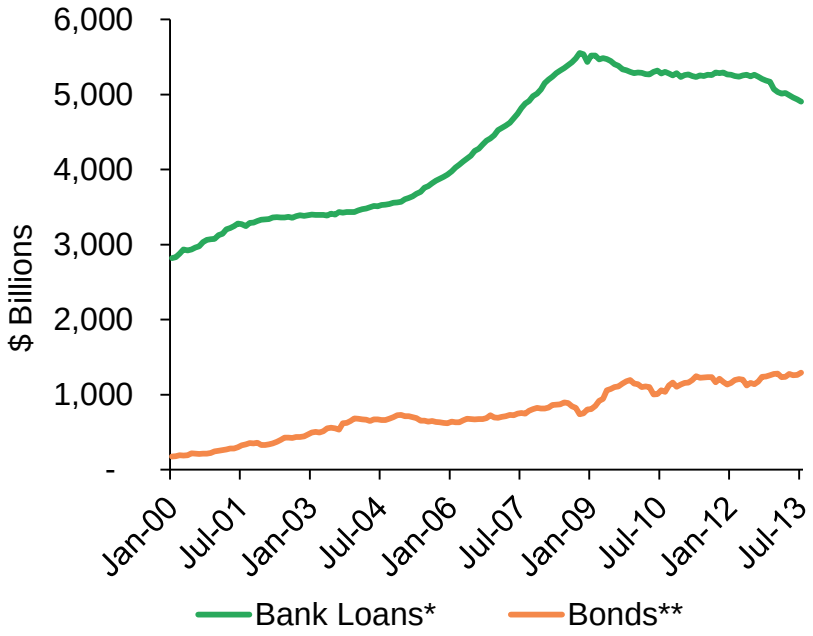
All-in Financing Costs Are Still Historically Low



Sources: U.S. Federal Reserve, Barclays and Moody's Capital Markets Research Group.

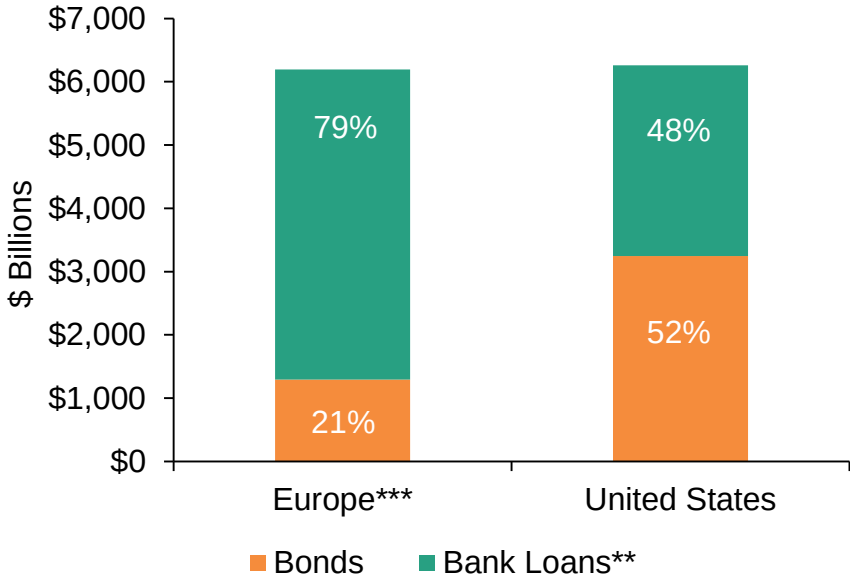
Disintermediation Continues in EU Capital Markets

European Non-Financial Corporate Bank Loans vs. Bonds



European and U.S. Non-Financial Corporate Bank Loans and Bonds

(as of July 31, 2013)

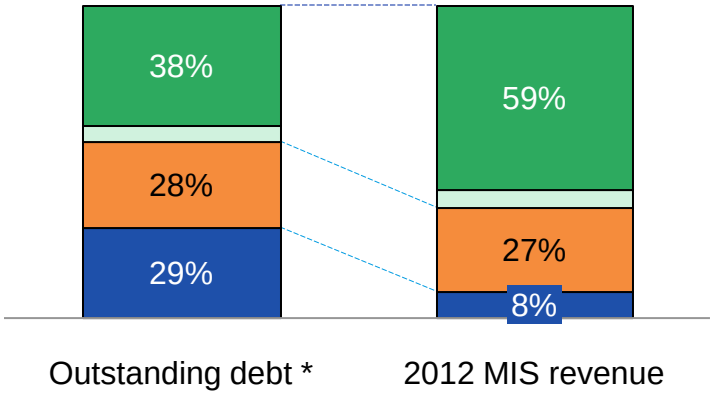


- January 2000 - July 2013 CAGR: Bonds: 16%, Loans: 4%
- Historically, European companies have relied more on banks than U.S. companies

Sources: Federal Reserve, ECB, Barcap Indices, Moody's Capital Markets Research Group. Data as of July 31, 2013.
*Includes Eurozone and UK bank loans.
**Includes Investment Grade and High Yield euro and sterling denominated debt. ***European bond data represents euro and sterling denominated debt. European loan data represents Eurozone and UK bank loans.

Asian Bond Markets Offer Significant Growth Opportunities

MIS Revenue per Total Outstanding Debt Value Issued



$ of MIS revenue per
$1M of outstanding debt

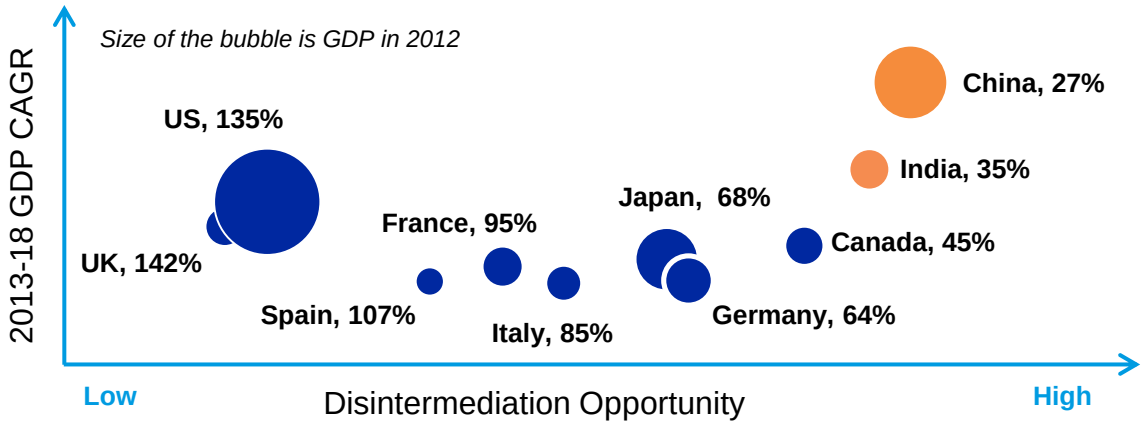
US: $32

EMEA: $21

Asia: $6

» Our revenue as a % of debt outstanding varies by debt market maturity: highest in the US, lowest in Asia

Percentage of Non-Government Debt Securities to GDP **

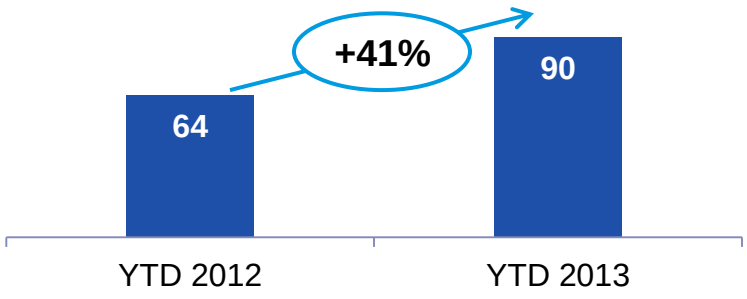


» Low level of disintermediation implies significant growth opportunity for bond markets in China and India

* Source: Bank for International Settlement.
** Sources: Bank for International Settlement, International Monetary Fund.

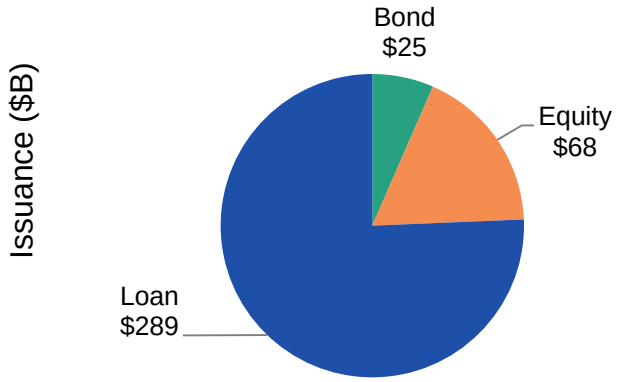
Potential for Continued Growth in Project and Infrastructure Finance

Project and Infrastructure First Time Mandates (Global)



Source: Moody's Investors Service.

2012 Project and Infrastructure Financing Mix



Source: Dealogic.

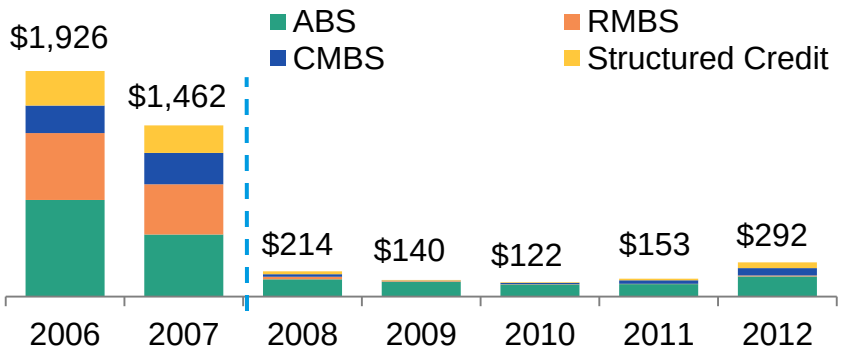
Bond financing comprises only 6.5% of global project and infrastructure financing

- Globally there is historic under-investment in infrastructure as a percentage of GDP; demand supply disequilibrium has created an opportunity to finance these projects
- Government and/or banks predominantly fund infrastructure projects in Asia, Australia, EMEA and Latin America; disintermediation and public-private partnerships are growing trends in Asia / Australia and EMEA

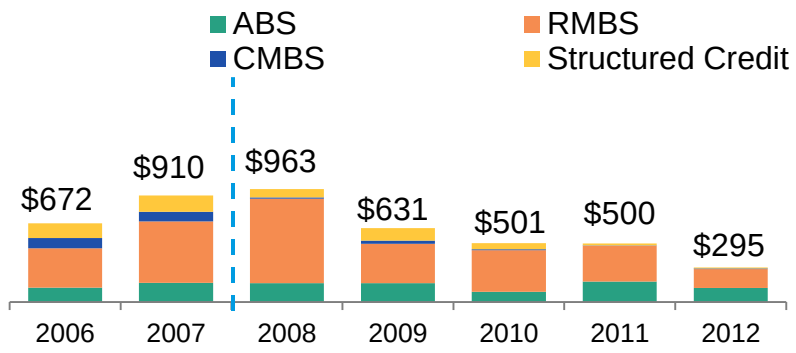
Opportunity for Future Growth in Structured Finance

Current issuance remains well below pre-crisis levels

Issuance in U.S. ($B)



Issuance in EMEA ($B)



Sources: Asset Backed Alert, Inside MBS & ABS, Commercial Mortgage Alert, JP Morgan CDO Weekly Market Snapshot, Bloomberg and Moody's Investors Service.

Market Dynamics

- Drive for yield and gradual return of investors in to SF asset classes observed in the U.S. but EMEA still contracting
  - In the U.S., most segments (ex-RMBS) are active with CMBS and CLOs showing the most robust growth
  - EMEA structured projected to bottom in 2014; ABS and RMBS represent greatest upside
- Competitive challenges impacting share

Volatility Upside / Downside

- ▲ Privatization of the mortgage market in the US
- ▲ Return of "real money" investors who place more value on our ratings
- ▼ RMBS does not recover or Moody's does not participate in the recovery
- ▼ Europe continues to contract and state supported funding mechanisms remain
- ▼ Punitive new regulation

Regulatory Update

- More clarity on regulation - environment has now largely settled
  - Dodd-Frank implementation largely completed
  - CRA3 regulation in European Union finalized
- Cost of doing business has increased but most of these costs are now included in our financials
- Taking proactive steps to make necessary operational adjustments to reduce risk and adjust our organization
- We continue to work with regulators to understand and implement their requirements

Further Growth Opportunities

Rob Fauber
Managing Director, Head of Commercial Group

Several Avenues for Growth

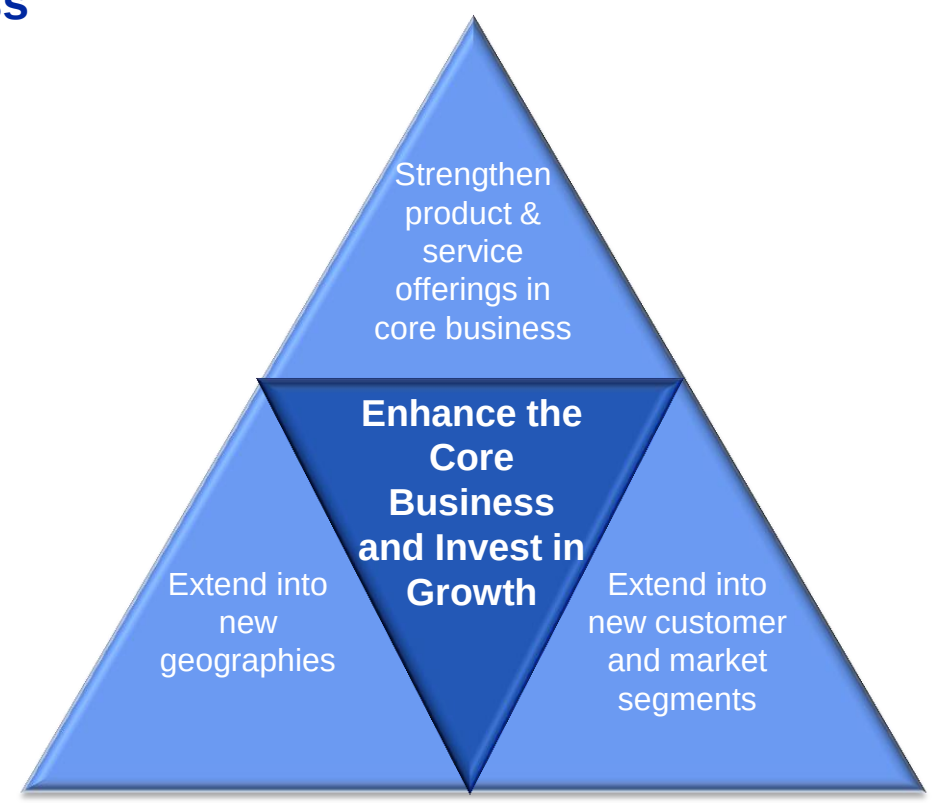
Our goal is for MIS revenue growth to consistently outperform global debt issuance growth

Strengthen Offerings in Core Business

- Preserve and enhance value proposition and pricing
- Add-ons to core credit research and complementary data & analytics

Extend Our Business

- New geographies
- New customers / issuers
- New rating products and services
- Explore opportunities for middle market credit assessment



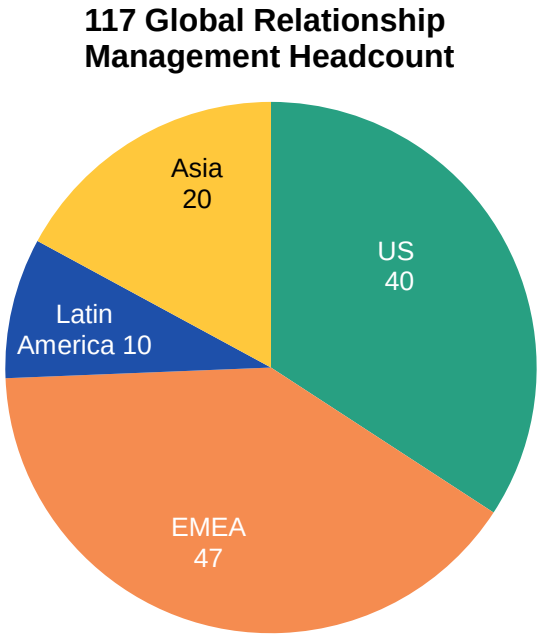
Commercial Group: Driving Customer Engagement

Investing in sales and account management to drive growth in core business

Relationship Management Function

- Business development
  - Primarily emerging markets
  - Different competitive environment
  - Unrated segments
- Account management
  - Service, retain existing accounts
  - Cross-sell, up-sell
  - Price capture
- CRM system deployment in 2013
  - Better pipeline management
  - Enhanced CRM capabilities

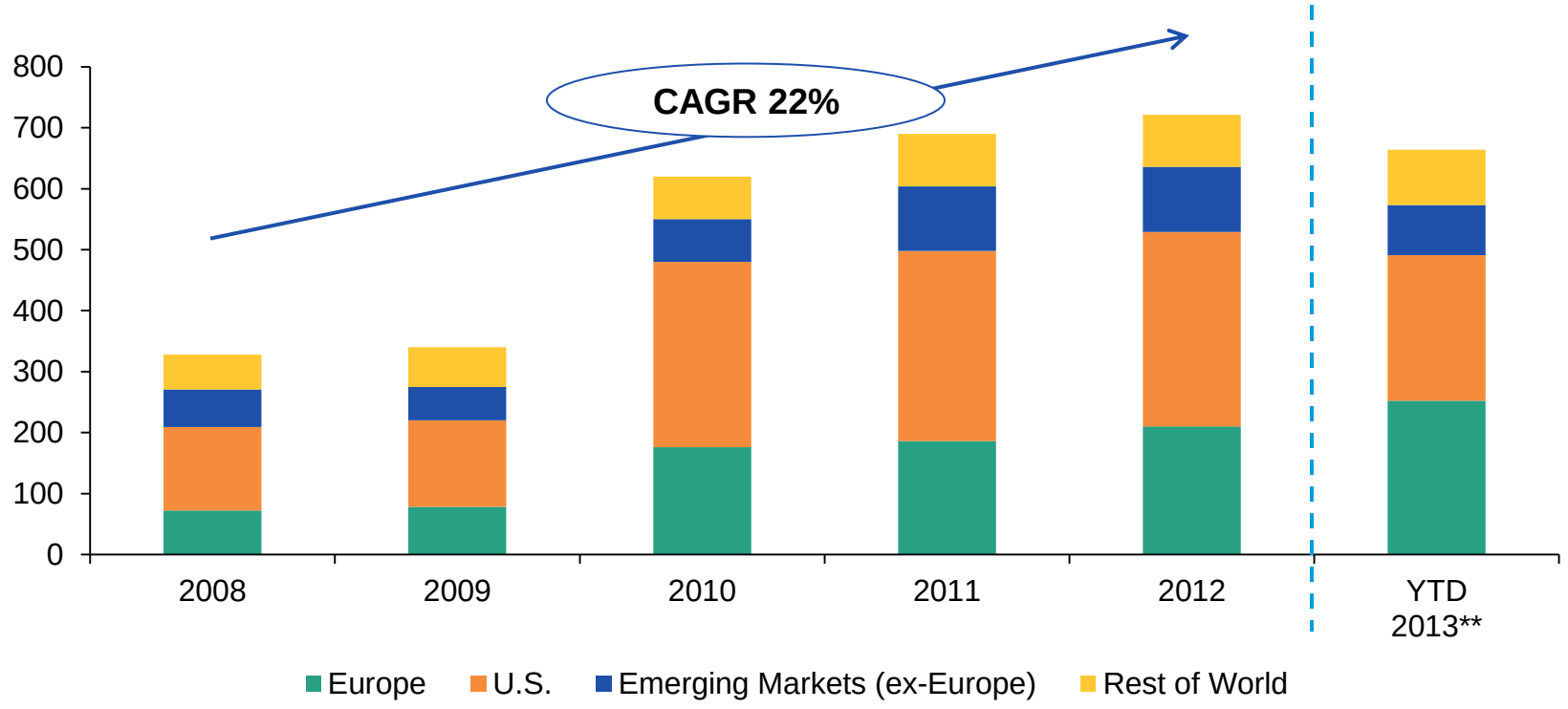
Global Footprint



- EMEA: opened Warsaw office 3Q13
- Asia: opened Mumbai office 3Q13; opening Shanghai office 4Q13

Commercial Group: Focus on Origination

Annual Count of Newly Rated Non-Financial Corporate Issuers*



Source: Moody's Investors Service.
*Rated by Moody's Investors Service.
**YTD 2013 data as of September 17, 2013.

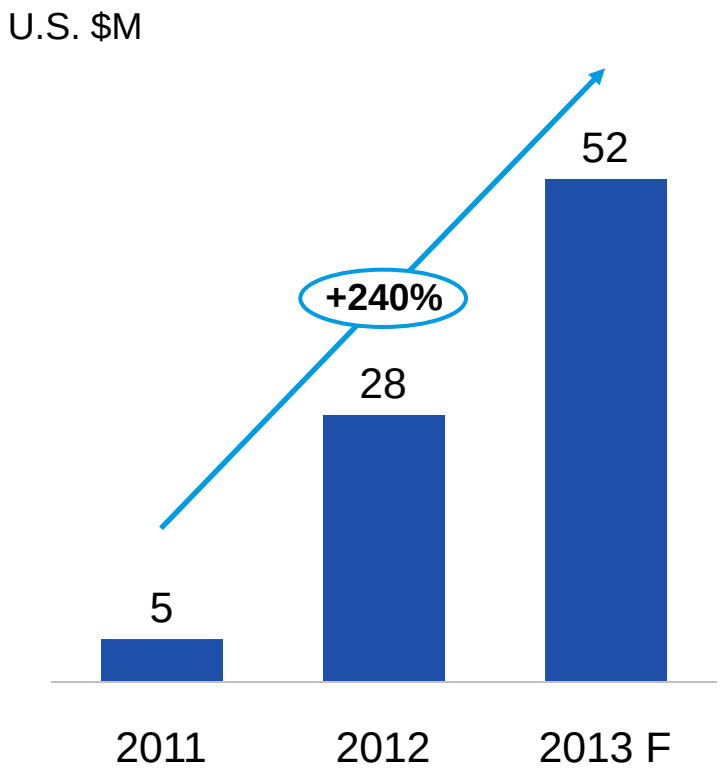
Product Development: New Sources of Revenue

Successfully leveraging brand, analytic capabilities and global distribution

New Products and Services

- Private ratings
  - Loans, private placements, private monitored ratings
  - Extends customer base beyond public debt issuers
  - Establish relationship earlier in customer “life cycle”
- Assessment services
  - New issuers and existing customers
  - Strong value proposition
- Moody’s Credit Assessment
  - Subscription-based Asian research service
  - Leveraging low-cost offshore platform

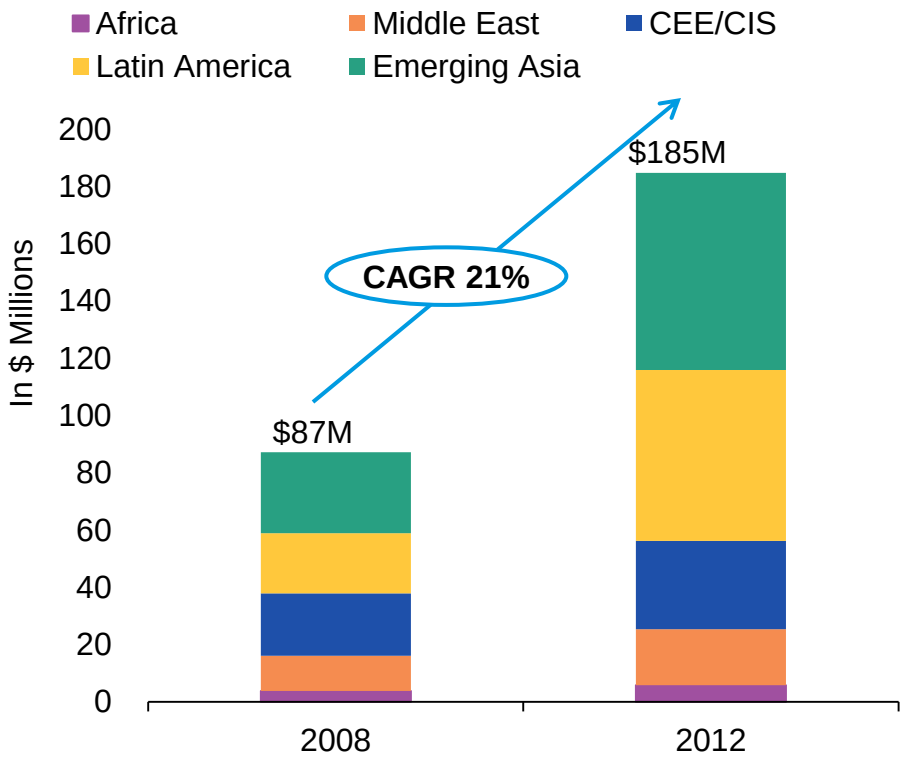
New Product Revenue



Data as of July 2013. Products launched since 2011.

Strong Revenue Growth from Emerging Markets

Revenue from Emerging Markets - 2008 vs. 2012



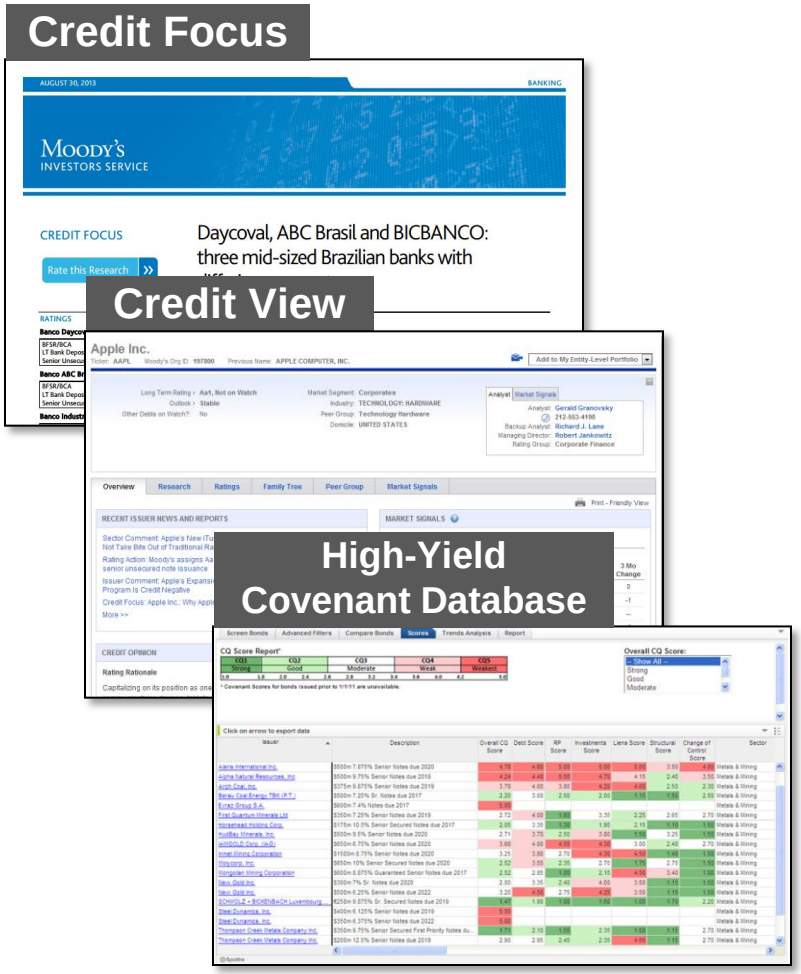
Business Development

- **Emerging Asia**: Expand domestic footprint in China, India, Korea, ASEAN
- **Latin America**: Bolster local presence and expand domestic footprint in Chile, Peru, Colombia
- **Africa**: Business development building on successful sovereign effort

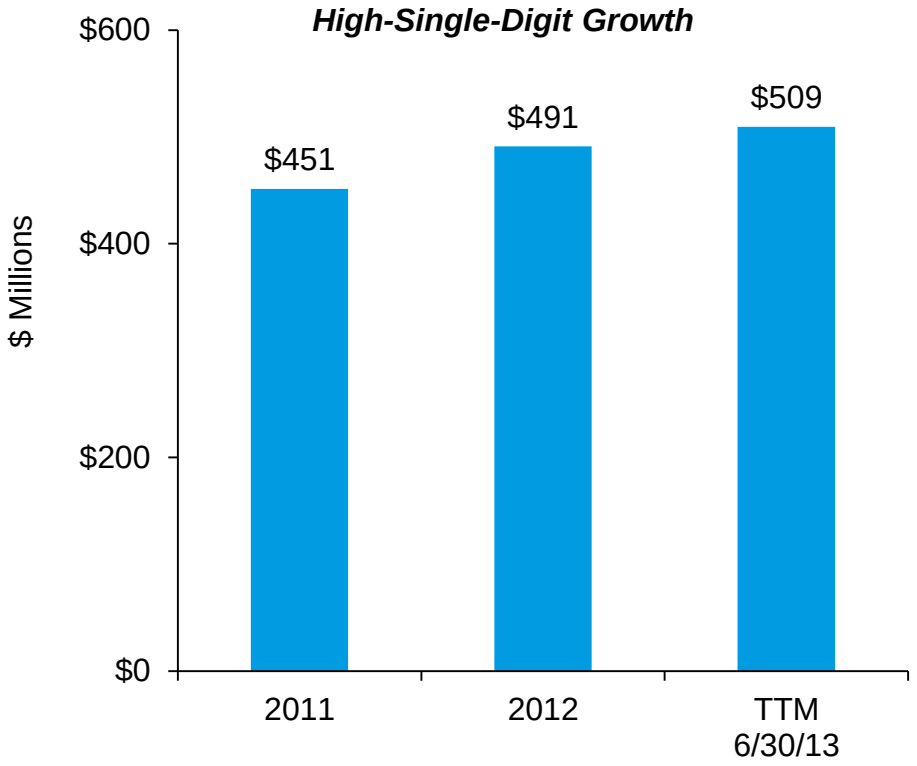
Source: Moody's Investors Service.
Revenue from emerging markets does not include revenue from Moody's affiliates.

Research Investment Driving Revenue Growth

Innovation & Products



Research, Data and Analytics Revenue



» Getting the right research to the right people at the right time

Moody's

Q&A

MICHEL MADELAIN, PRESIDENT AND CHIEF OPERATING OFFICER, MOODY'S INVESTORS SERVICE
ROB FAUBER, MANAGING DIRECTOR, HEAD OF COMMERCIAL GROUP

Moody's

Session 3: Legal / Regulatory Update

JOHN GOGGINS, EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL

SEPTEMBER 24, 2013

Overview

1. Update on MCO Shareholder Class and Derivative Actions
2. Update on Ratings-Related Litigation
3. Regulatory Developments

MCO Shareholder Class and Derivative Actions

- **MCO shareholder class action**
  - Plaintiffs' motion for class certification denied in March 2011; interlocutory appeal to Second Circuit was also denied
  - Moody's motion for summary judgment granted in August 2013

- **Shareholder derivative suits**
  - Court granted final approval of coordinated settlement of these suits in September 2012
  - All cases (both state and federal) were dismissed with prejudice
  - No money was paid to plaintiffs, but the Court awarded attorney's fees and expenses totaling approximately $4.95 million
  - Settlement agreement implemented certain structural governance changes and expires in September 2014

Ratings Related Litigations – Overall Status

- **Significant progress in resolving ratings-related litigations filed since 2007**
  - In U.S., nearly five dozen cases have been filed, and more than two-thirds of them have been dismissed, voluntarily withdrawn or consensually resolved
  - Outside the U.S., we have 15 open cases (10 relate to the same failed Korean bank), and 7 cases have been dismissed or withdrawn

- **All '33 Act cases were favorably resolved, with decisive opinions from numerous district judges and the Second Circuit**

- **Other bases for dismissal included lack of any actionable misrepresentation, lack of duty to plaintiffs and lack of jurisdiction**

Ratings-Related Litigation – Appellate Court Precedents

- ***IN RE LEHMAN BROTHERS MORTAGE-BACKED SECURITIES LITIGATION – Second Circuit 2011***
  - A "rating issued by a Rating Agency speaks merely to the Agency's opinion of the creditworthiness of a particular security"
  - A rating agency's limited involvement in the securitization process cannot give rise to "underwriter" or "control person" liability under the federal securities laws
- ***THE ANSCHUTZ CORPORATION v. MERRILL LYNCH & CO, INC. et al. – Second Circuit 2012***
  - Rating agency, that publishes its rating opinion to a broad audience, cannot be sued for negligent misrepresentation under New York law given lack of direct contact with investor
- ***OHIO POLICE AND FIRE PENSION FUND et al. v. STANDARD & POOR'S et al. – Sixth Circuit 2012***
  - A credit rating cannot be an actionable "misrepresentation" unless the rating agency actually disbelieved the rating that it issued

Regulatory Update – U.S. Developments

- **Dodd-Frank Act**
  - Contained various provisions and directives relating to CRA industry
  - Many rules implemented; timing of remaining final rules remains uncertain
  - Moody's has made substantial IT and other enhancements in order to comply with the new requirements
  - Moody's now examined annually by SEC – no material deficiencies identified to date

- **Franken Amendment**
  - In December 2012, SEC issued a report relating to assignment of credit ratings for structured finance products (the Franken Amendment Study)
  - In May 2013, SEC conducted a roundtable regarding Franken Amendment
  - SEC is considering the Franken proposal and alternatives, including the amendment of existing Rule 17g-5

Regulatory Update – EU Developments

- **In the Spring of 2013, the EU adopted rules (CRA3) augmenting the existing regulatory framework for CRAs**
- **The rules became effective in June 2013 and include the following provisions, among others:**
  - Additional procedural requirements regarding sovereign ratings
  - Mandatory rotation requirements for CRAs hired to rate resecuritizations
  - Certain ownership restrictions for CRAs and their 5% - 10% shareholders
  - Liability for breach of the applicable regulations where breach affected the rating
- **Some CRA3 provisions remain subject to ESMA rule-making**
- **Moody's has made substantial IT and other enhancements in order to comply with the new regulatory requirements**

Moody's

Q&A

JOHN GOGGINS, EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL

Moody's

Session 4: Moody's Analytics

Strengthening Moody's Position in Financial Risk Management

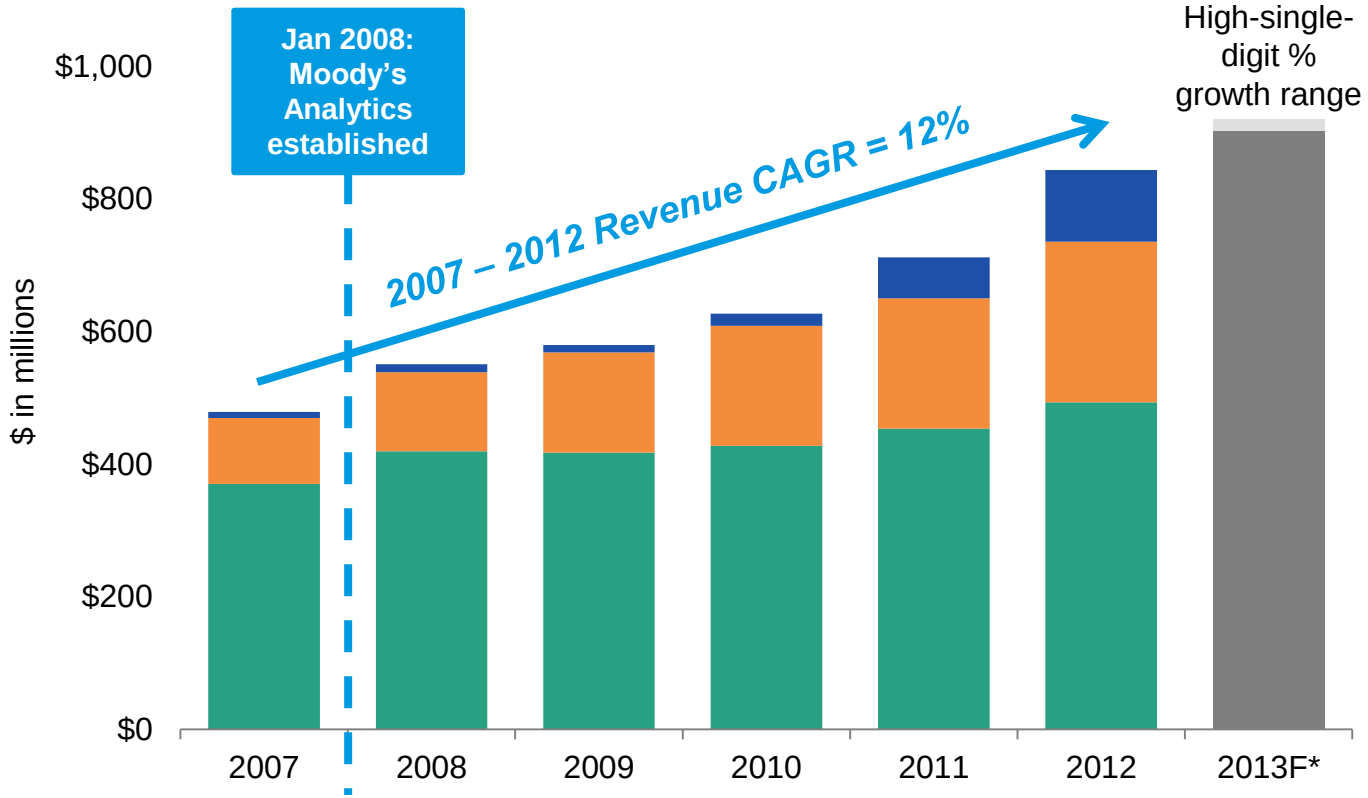
MARK ALMEIDA, PRESIDENT, MOODY'S ANALYTICS
STEVE TULENKO, EXECUTIVE DIRECTOR, ENTERPRISE RISK SOLUTIONS

SEPTEMBER 24, 2013

Moody's Analytics: Delivering Complete Risk Management Solutions

- Unique position across 3 primary businesses
  - Information: *stable, highly profitable research business*
  - Infrastructure: *significant growth opportunity in bank risk management*
  - Skills: *good potential in outsourced research and analytics, strong cash flow from certification business*
- Broad capabilities, rich experience, deep customer relationships
- Strong global distribution network, supported by powerful brand
- Providing "need-to-have" products; well-positioned to address the evolving needs of financial institutions

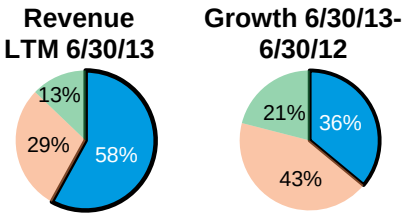
Multiple Platforms for Growth



2007-2012 REVENUE GROWTH		
Professional Services	+$98 mil	63% CAGR
Enterprise Risk Solutions (ERS)	+$143 mil	20% CAGR
Research, Data & Analytics (RD&A)	+$123 mil	6% CAGR

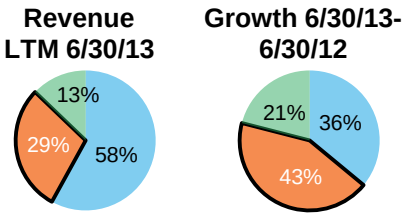
*Guidance as of September 24, 2013.

RD&A: Solid & Stable Foundation for Growth



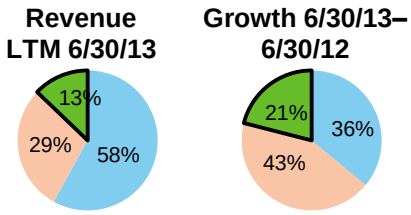
- Core Subscription Products
  - Distributor of MIS research and ratings
  - Credit scores and analytics on public companies
  - Economic research, structured finance data and tools
- Revenue is expected to exceed $500 million in 2013
- ~100% renewable, with very high retention rates -- ~95% in 2Q 2013
- Providing need-to-have products
- Very resilient business, even when economy is weak
  - Maintained flat revenue at height of financial crisis (2009), despite steep contraction in debt capital markets activity and the loss of several large customers to failure and/or consolidation
- Well-positioned for higher growth driven by innovation in debt capital markets

ERS: An Engine for Growth



- Risk Management Software and Solutions
  - Strategic platform to support infrastructure and automation needs
  - Cutting-edge quantitative credit and risk modeling
  - Regulatory solutions for banks and insurance companies
- Organic build, supplemented by selective acquisitions, has delivered a sizable, high-growth business
- Well-established reputation built on unique combination of capabilities, supported by brand and distribution
- Rising demand driven by regulation of financial institutions, especially around capital management
- Near-term focus on top-line revenue growth, with margin expansion opportunity anticipated as customer needs evolve toward standards
- Results subject to significant short-term variability

Professional Services: Building out the Product Offering



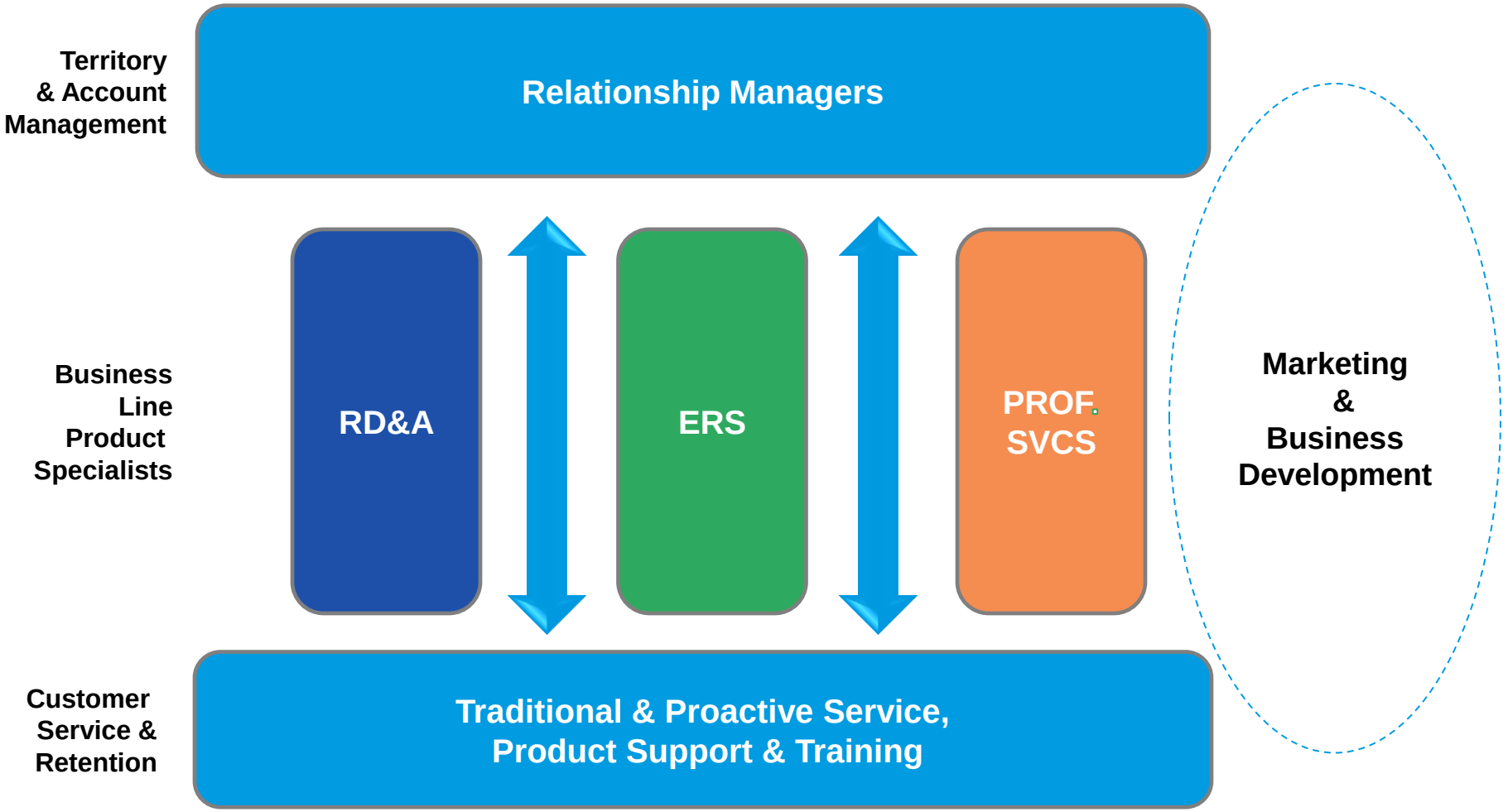
- Good stand-alone businesses and strong franchises
  - Exclusive securities certification provider used by Canadian regulator
  - A market leading off-shore platform for outsourced research and analytics
- Capabilities integrated with other MA offerings to deliver a more complete risk management solution
- Embeds MA throughout the risk management workflow process; deepens customer reliance on MA; creates product stickiness

Sustaining the Risk Management "Ecosystem"



Large Scale Global Distribution

Team Selling Drives Customer Focus & Business Line Results



Growing Recognition Enhances Competitive Position

Asia Risk Technology Rankings 2012

- #1 in Economic Capital Calculation & Management
- #3 Regulatory Capital Calculation & Management
- #4 Asset Liability Management
- #5 Liquidity Risk Management
- Top 10 Overall Vendor

Risk Technology Rankings 2012

- #1 Risk Capital Calculation, Regulatory
- #1 Risk Capital Calculation, Economic
- #4 Enterprise-Wide Risk Management, Basel III Compliance
- #5 Regulatory Compliance and Reporting

Risk 25 Firms of the Future

- Named a "Firm of the Future" in the Technology Vendors category by *Risk Magazine*
- "…has created a broad portfolio of risk analytical and management capabilities"
- "…a leading provider of compliance packages for new regulation"

Chartis RiskTech100© Rankings 2012

- Voted 7th in Overall Rankings
- #1 in Credit Risk for the 3rd year in a row
- #1 in Organizational Strength

Fintech 100 2012

- **Ranked 42nd in Overall Rankings**
- Recognized as a preferred vendor in the annual Rankings, published by American Banker and Financial Insights

Insurance Risk Awards 2012

- Barrie & Hibbert voted the "Best Economic Scenario Generation Software Provider"

Structured Products Technology Rankings 2012

- Ranked in the top three in Risk Management - Regulator/Economic Capital Calculation
- Additional recognition: Mortgage Portfolio Analyzer

Structured Credit Investor 2012

- Pricing, Valuation & Risk Management Award
- #1 in customer service in the Pricing, Valuation & Risk Management category

Waters Rankings 2011

- Voted Best "Credit Risk Solution Provider" for the 2nd year in a row
- Award recognizes the best products and services in the financial services industry

Pulsenomics 2011 Crystal Ball Award

- Ranked in the "Top 5" in Zillow's Home Price Expectations Survey
- Chief Economist Mark Zandi & Senior Director Celia Chen, have been awarded the Crystal Ball Award for 2010, 2011 and 2010-2011

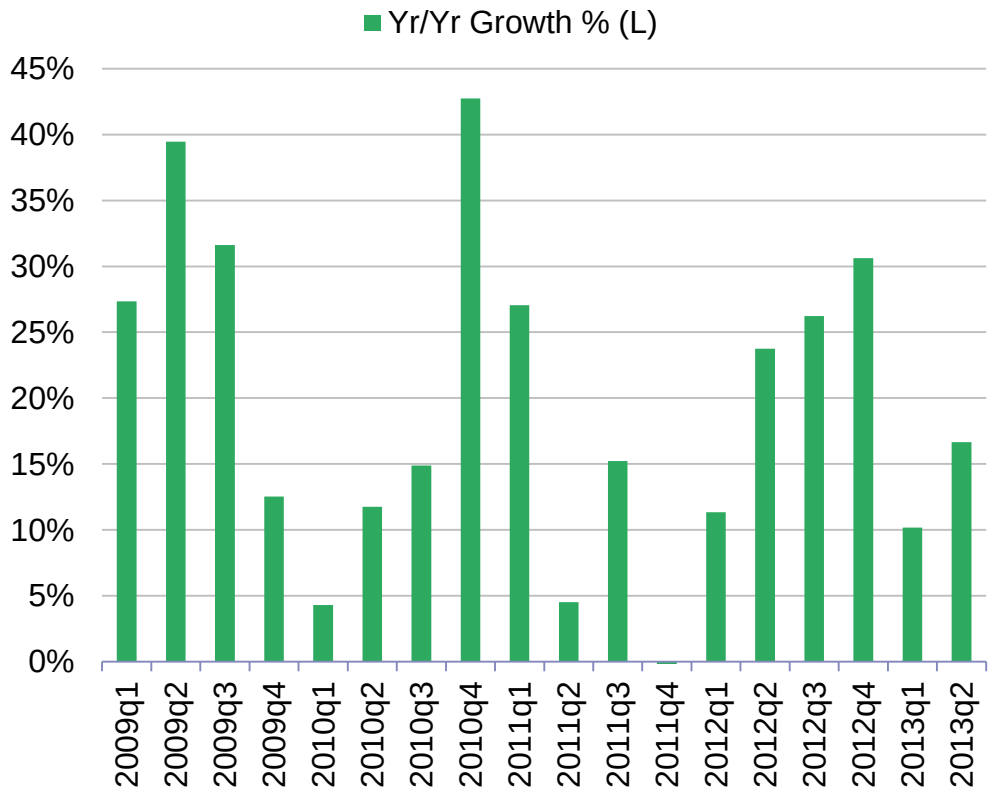
Spotlight on ERS

Steve Tulenko
Executive Director, Enterprise Risk Solutions

Solid Growth, But Revenue Recognition Timing is Variable

ERS Revenue: 2009-2013H1

Quarterly Growth Range: -4% to +43%
Less than 5%: 3 quarters
>5% & <15%: 6 quarters
>15%: 9 quarters



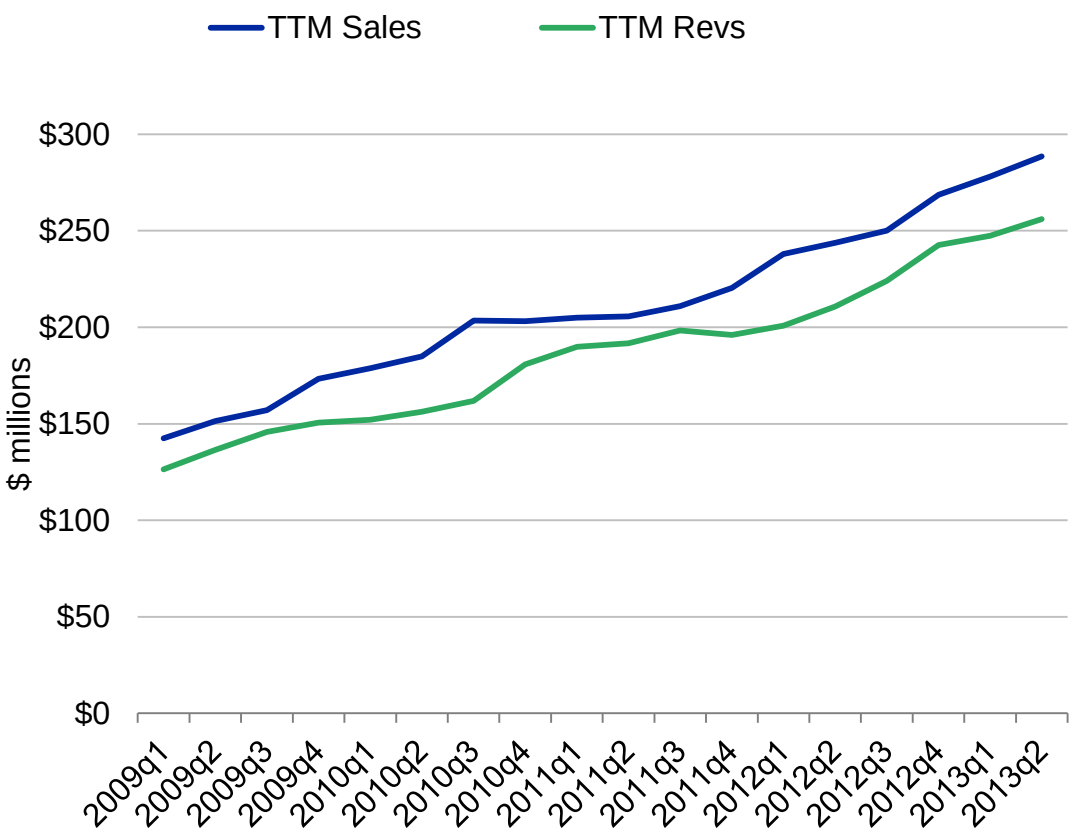
millions of US$

Note: Quarterly results often driven by customer-specific project timelines, sometimes creating difficult year-on-year comps.

- Timing of revenue recognition varies across product portfolio
- Software licenses and services (~35% of 2012 revenue)
  - Generally recognized upon completion of project milestones, subject to customer acceptance
- Software subscriptions and maintenance (~65%)
  - Recognized ratably over the life of the agreement when software is implemented and placed into service
- Completion of projects (and/or customer acceptance) often subject to timing fluctuations

Contracted Sales Consistently Running Ahead of GAAP Revenue

Trailing 12 Months ERS Sales & Revenue: 2009-2013H1



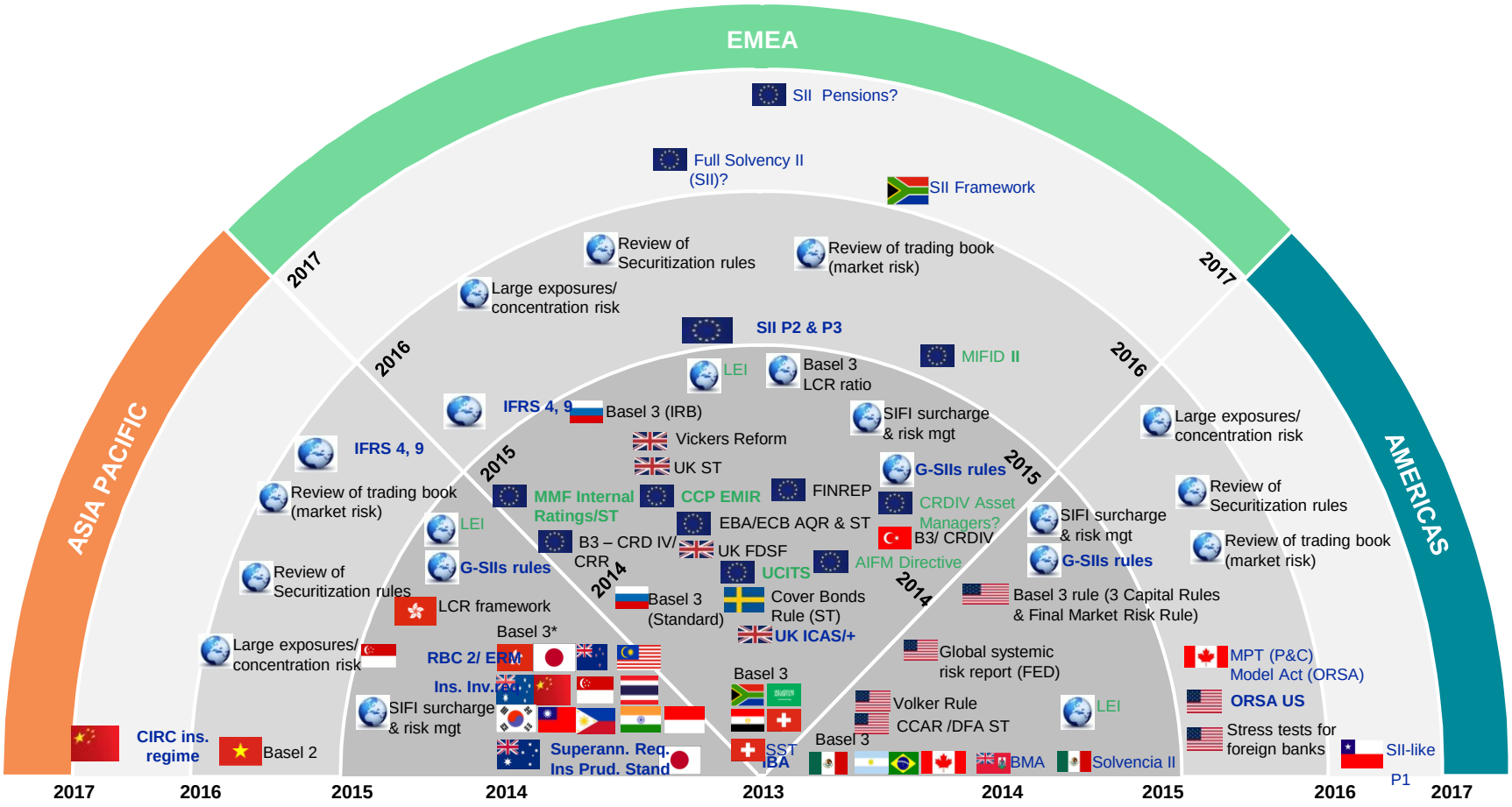
- Contracted sales have been growing at a mid-teens average annual rate for the last 3 years
- Sales growth leads revenue growth
- Sales pipeline, and market environment, suggests continued good growth in business won
- Sales closure subject to some short-term variation, owing to customer contracting processes

Regulatory-Driven Demand is Presenting Opportunity

- Regulatory convergence is creating global opportunities for MA
  - Basel III migrating to the U.S., Middle East, Asia
  - U.S. stress testing approach migrating to Europe
- Financial crisis continues to drive risk management initiatives, which represent a significant portion of banks' budgets
- Regulators are focused on capital adequacy, and are asking banks to project their balance sheets and P&Ls under stressed scenarios
- To do this well, a bank needs to integrate consistent analytics across multiple divisions
  and lines of business
- To meet these regulatory requirements, banks are seeking infrastructure and automation tools
- Solvency II and ORSA are presenting similar opportunities in insurance

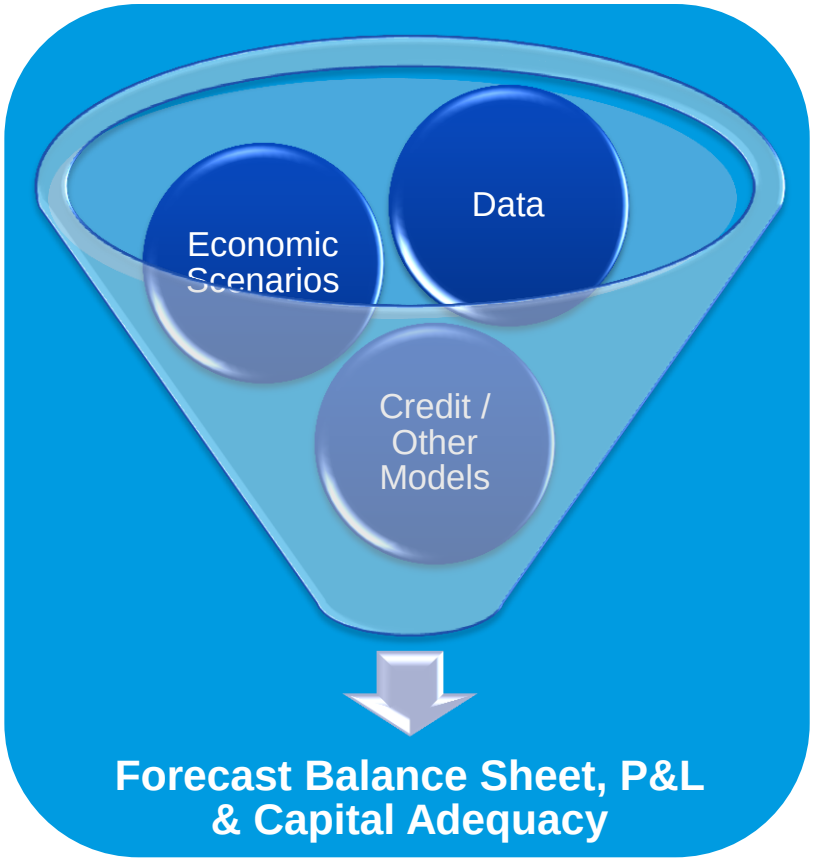
Moody's Analytics Global Regulatory Radar – August 2013

Black: Banking relevant - Blue: Insurance relevant - Green: Buy-side and other industries



Source: MA market research and own analysis.
* Basel 3 draft regulations in Indonesia, Taiwan

Stress Testing: MA is Uniquely Qualified to Help



- Moody's Analytics provides the tools that facilitate execution of stress testing programs:
  - Benchmarking databases
  - Economic scenarios and forecasts
  - Credit and cash flow modeling
  - Infrastructure and automated regulatory reporting
- Risk models are under intense scrutiny; must respond systematically to macroeconomic scenarios
- Multi-quarter projections -- of loss estimates, provisions on financial statements, and capital reserves -- require holistic perspective
  - Front, middle and back office
  - Risk, Treasury and Finance
- Proof of success is in the reporting … a true strength for MA

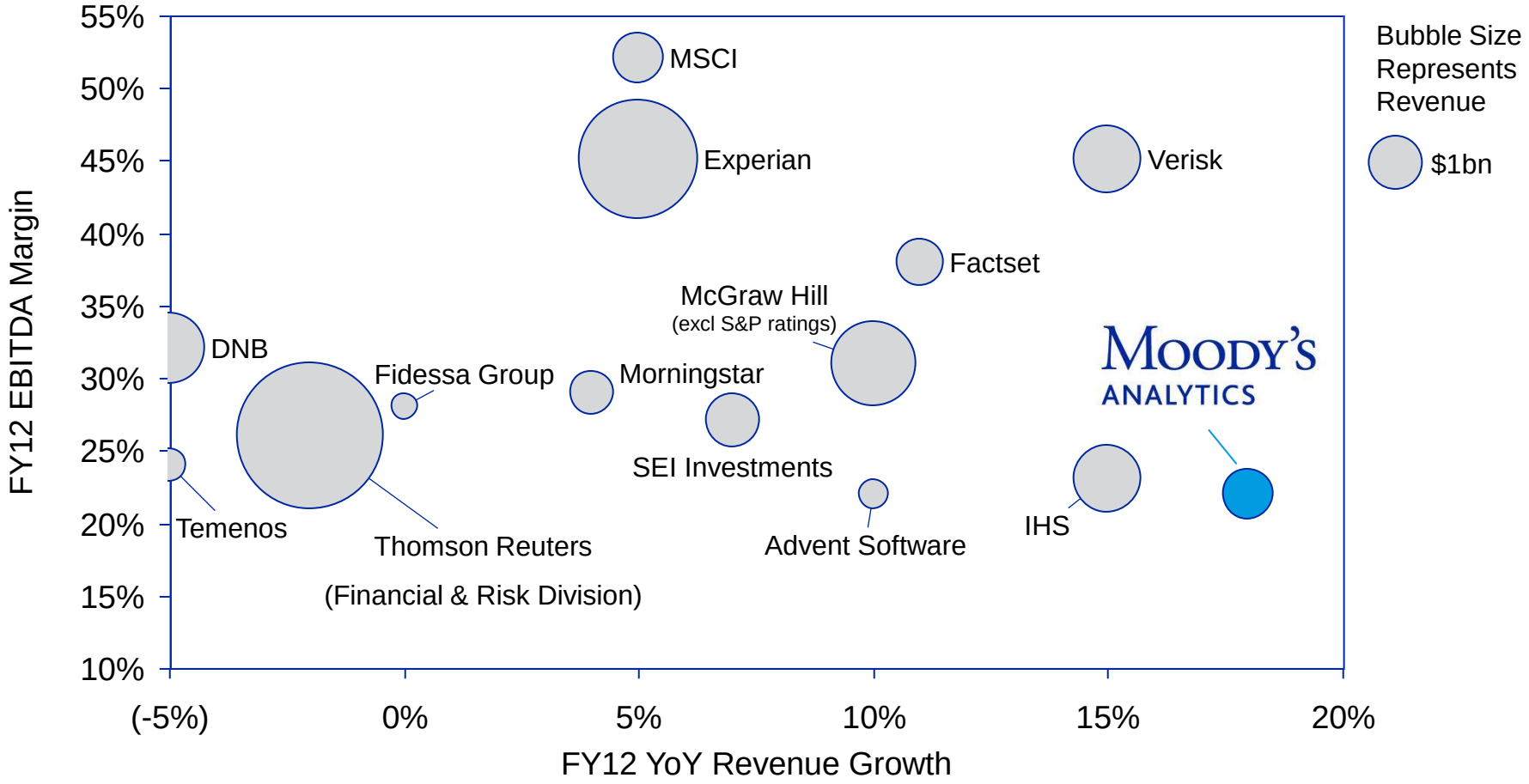
Winning Significant Business from Banks Worldwide

- **Cumulatively, from 2009 through 2012, ERS had:**
  - Total sales of >$200 million from our 15 biggest customers
  - Sales of >$5 million each from 28 banks
  - Sales of $1-5 million each from another 110 banks
- **During 2012, ERS had:**
  - Sales > $1 million with 25 institutions in 17 countries *(~20% of total)*
  - Over 400 customers worldwide spending at least $50K
    - Top 5 markets: USA (147), France (39), Canada (23), UK (22), Germany (21)
    - Selected developing markets: Saudi Arabia (11), UAE (11), South Africa (9), China (8), Lebanon (7), Korea (7)

Wrap up

Mark Almeida
President, Moody's Analytics

Emphasizing Top-Line Growth While Maintaining Good Margins



Data from Bloomberg & Company filings. Moody's results reflect adjusted operating income.

Moody's Analytics: Well-Positioned to Drive More Growth

- **Strong operating track record**
  - 22 consecutive quarters of year/year revenue growth
  - 13 quarters of double-digit growth
  - 12% revenue CAGR over 2007-2012 period
  - 2012 adjusted operating margin of 22%
- **Solid market position supporting risk management at financial institutions**
  - Rich product portfolio supported by unique, differentiating features
  - Product offering focused on delivering ***need-to-have*** products and services
- **Big market opportunity**
  - Good penetration of customer base, with plenty of opportunity ahead
  - Addressable market of *at least* $12 billion
  - Bank regulation driving demand, especially for ERS
  - Innovation in debt capital markets will drive acceleration in RD&A

Moody's



Q&A

MARK ALMEIDA, PRESIDENT, MOODY'S ANALYTICS
STEVE TULENKO, EXECUTIVE DIRECTOR, ENTERPRISE RISK SOLUTIONS

Moody's

Session 5: Financial Strategy

LINDA HUBER, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
DAVID PLATT, MANAGING DIRECTOR, HEAD OF CORPORATE DEVELOPMENT
LISA WESTLAKE, SENIOR VICE PRESIDENT, CHIEF HUMAN RESOURCES OFFICER

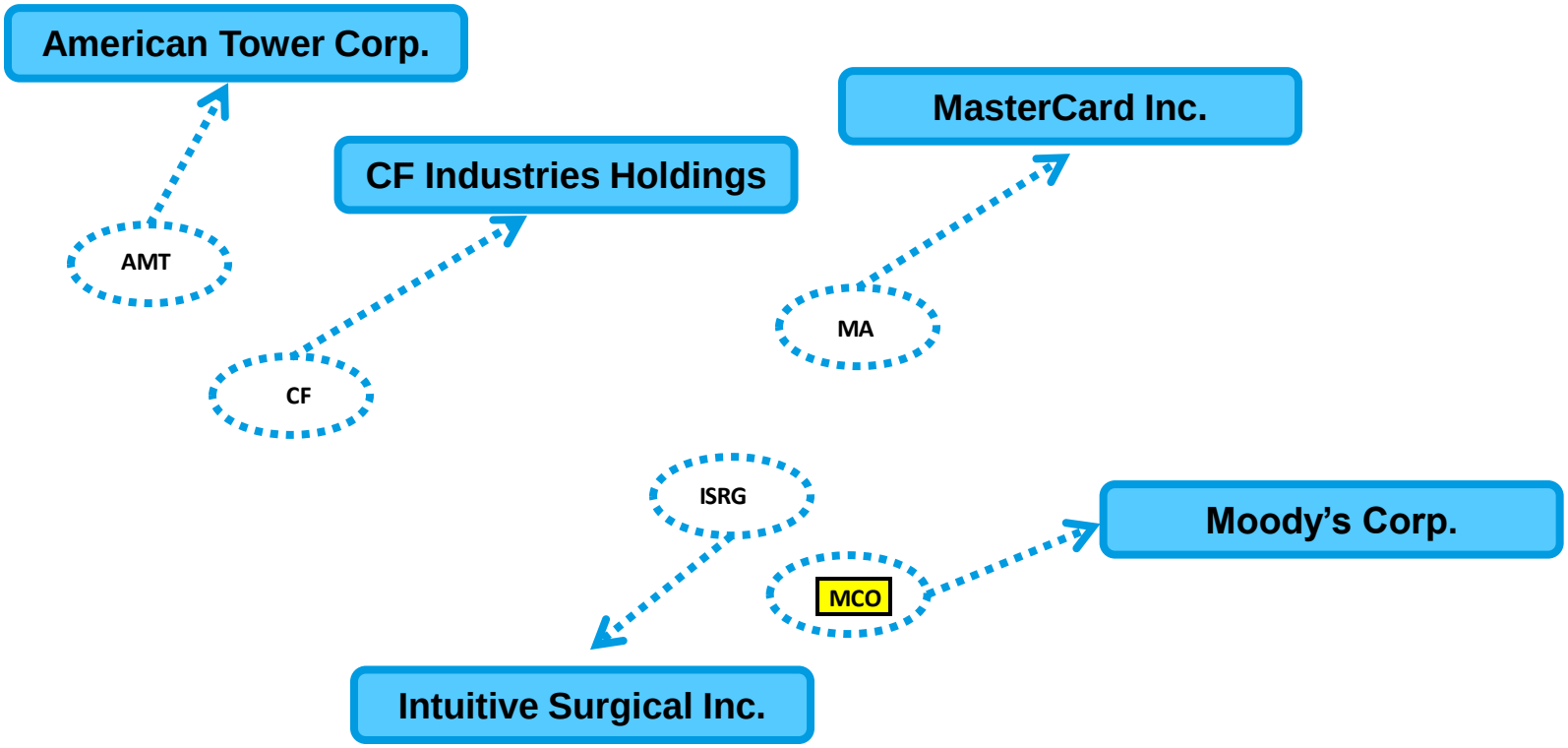
SEPTEMBER 24, 2013

Key Messages

- Very **strong performance** in the first half of 2013
- **Diversification** of our businesses provides ballast
- **Cost-saving strategies** to help drive margin expansion
- **Solid EPS growth** given our operating performance, tax planning and share repurchases
- We are focused on **returning capital to shareholders**
  - 2013 “mini-recapitalization”
  - Added leverage
  - Increased dividend by 25%
  - Increased buy back by 100%

Financial Overview

Only Four Companies Have Matched Moody's Revenue, EPS and Margin Performance over the Past Three Years*



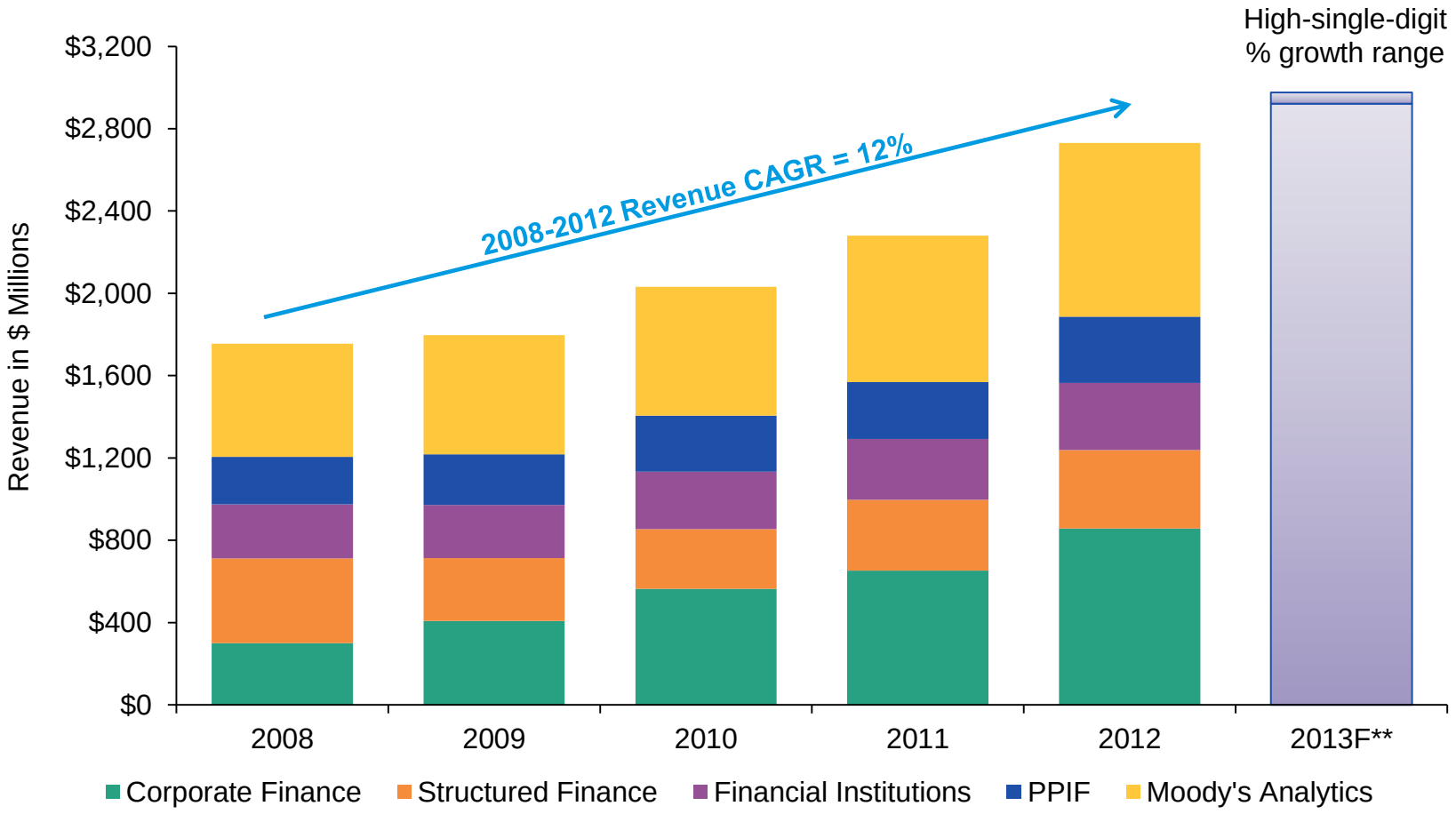
*3-Year (2010-2012) EPS CAGR, 3-Year (2010-2012) Revenue CAGR, 3-Year (2010-2012) Average Operating Margin. Source FactSet.

Moody's is "Reasonably Priced" Given its Financial Performance

COMPANY NAME	REVENUE CAGR (2010-2012)	OPERATING MARGIN (AVG., 2010-2012)	EPS CAGR (2010-2012)	DIVIDEND YIELD (9/17/13)	DIVIDEND PAYOUT RATIO (LTM)	FORWARD 12-MONTH P/E
AMERICAN TOWER CORPORATION	20%	39%	31%	1.5%	63%	32.4x
MasterCard	16%	48%	25%	0.4%	7%	22.7x
INTUITIVE SURGICAL	24%	40%	30%	N/A	N/A	22.2x
MOODY'S	16%	39%	19%	1.4%	22%	17.6x
CF Industries	24%	40%	142%	0.8%	6%	8.7x

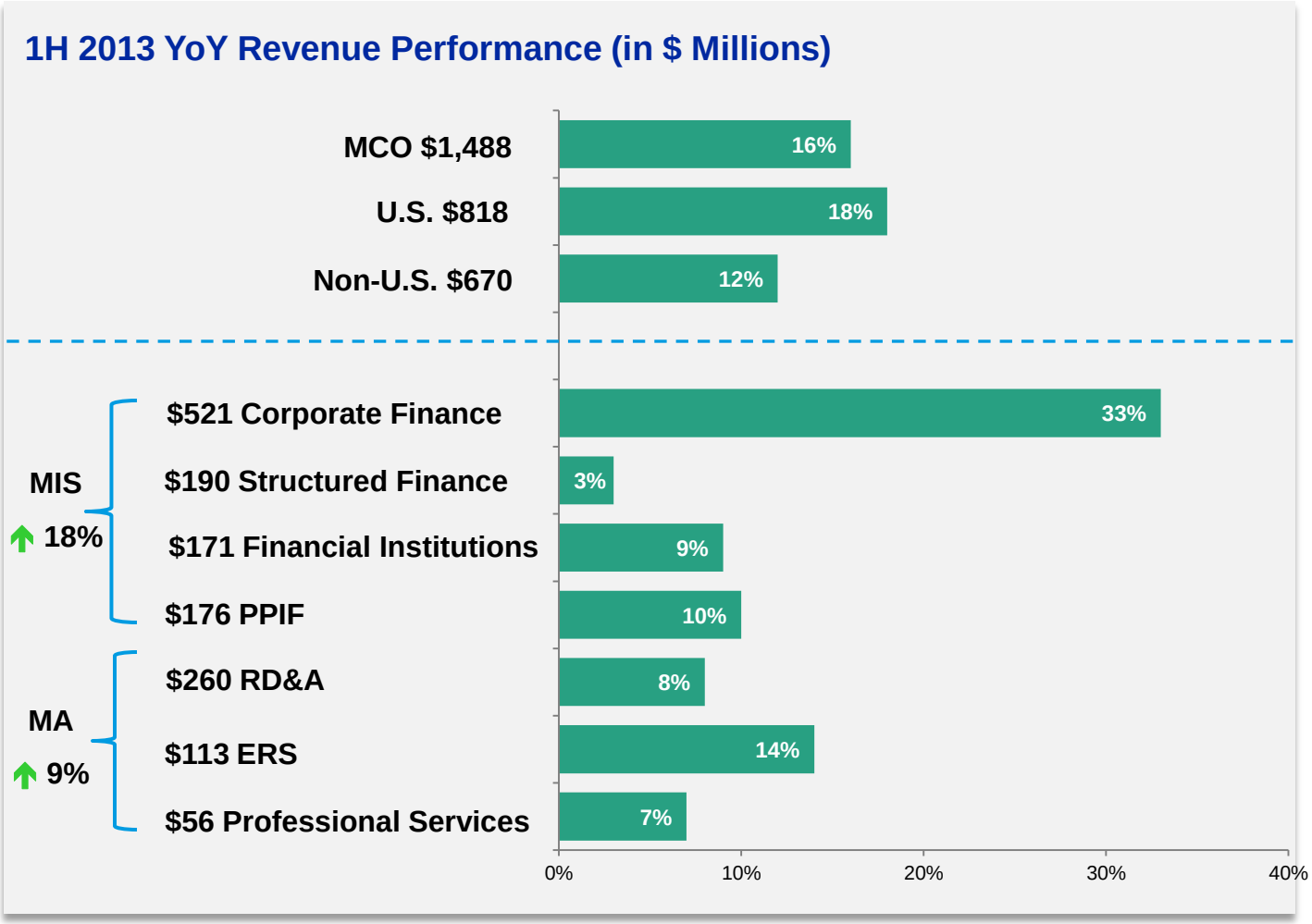
Source FactSet

Moody's Has Consistently Delivered Strong Revenue* Performance Over a Challenging Global Economic Period

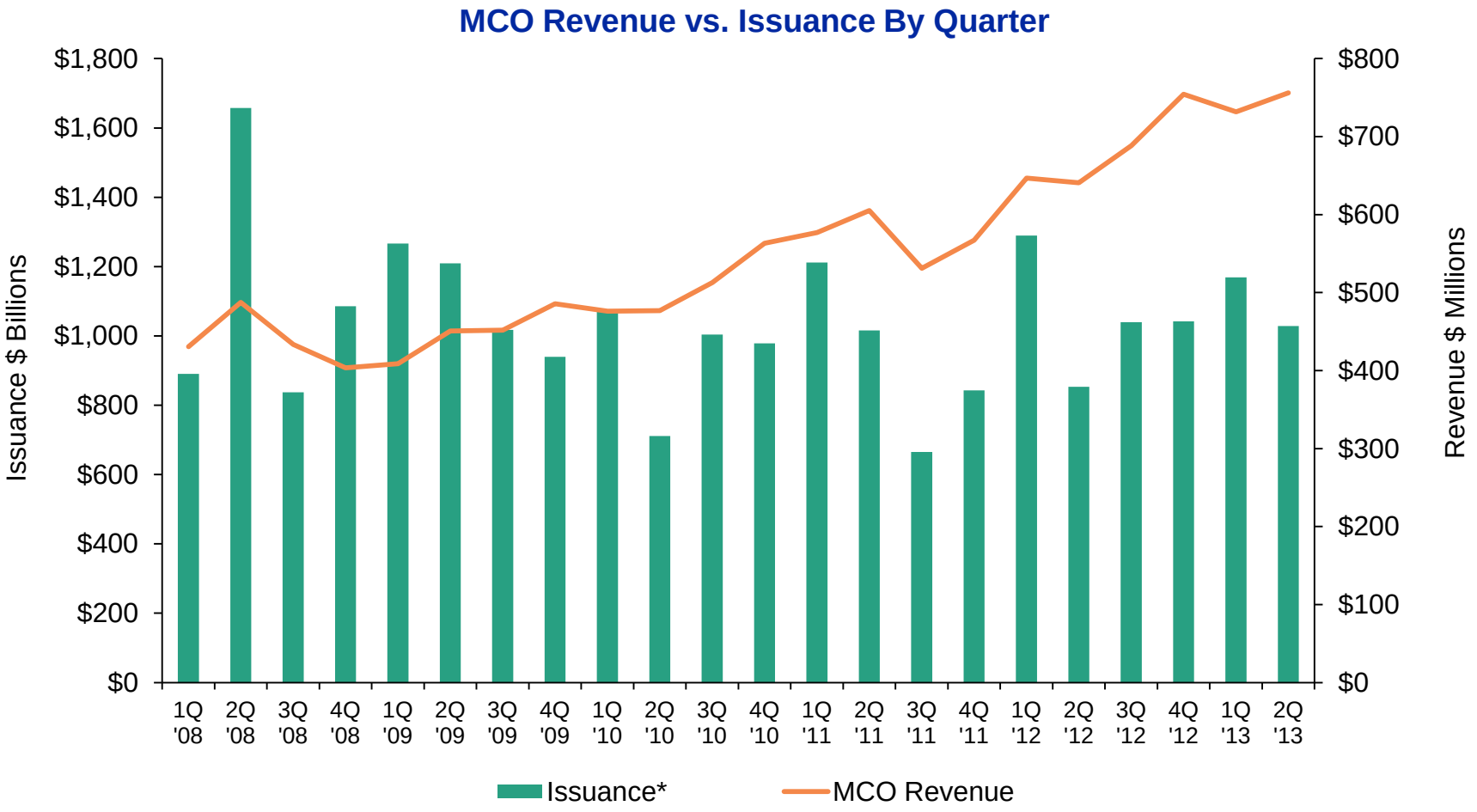


*Historical data has been adjusted to conform with current information. Represents revenue excluding intercompany royalties and license fees.
**Guidance as of September 24, 2013.

Strong Revenue in First Half of 2013 with Growth in all Lines of Business



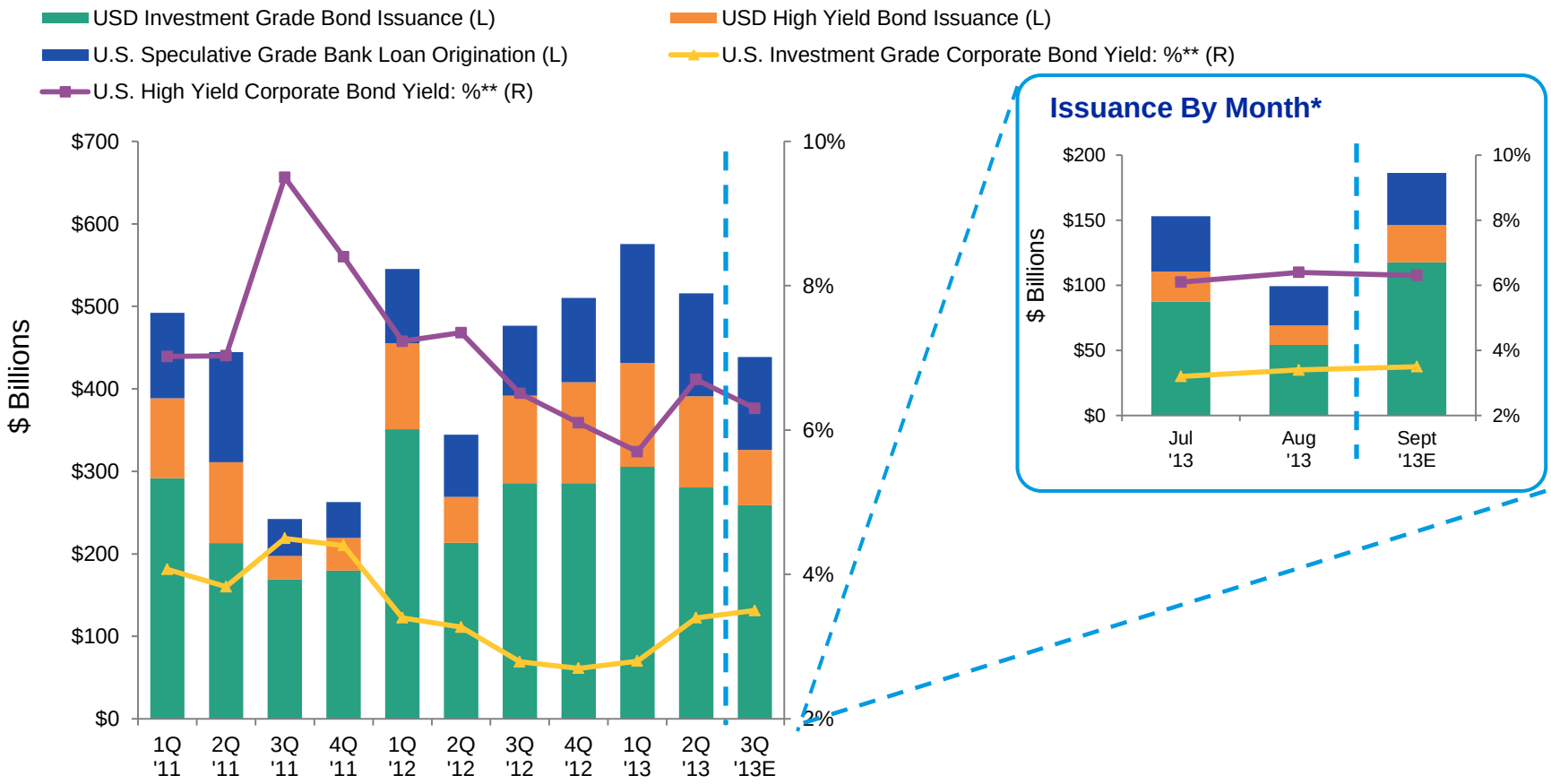
Moody's Revenue Does Not Directly Tie to Issuance



*Global investment grade bonds, global high yield bonds, U.S. high yield bank loans, global structured finance, and U.S. municipal issuance.
Source: Moody's Capital Markets Research Group, Dealogic, AB Alert, CM Alert, Bond Buyer. U.S. High Yield Bank Loans represent Moody's rated new U.S. bank loan programs. Debt issuance categories do not directly correspond to Moody's revenue categorizations.

Issuance Overview and Outlook*

Issuance By Quarter*

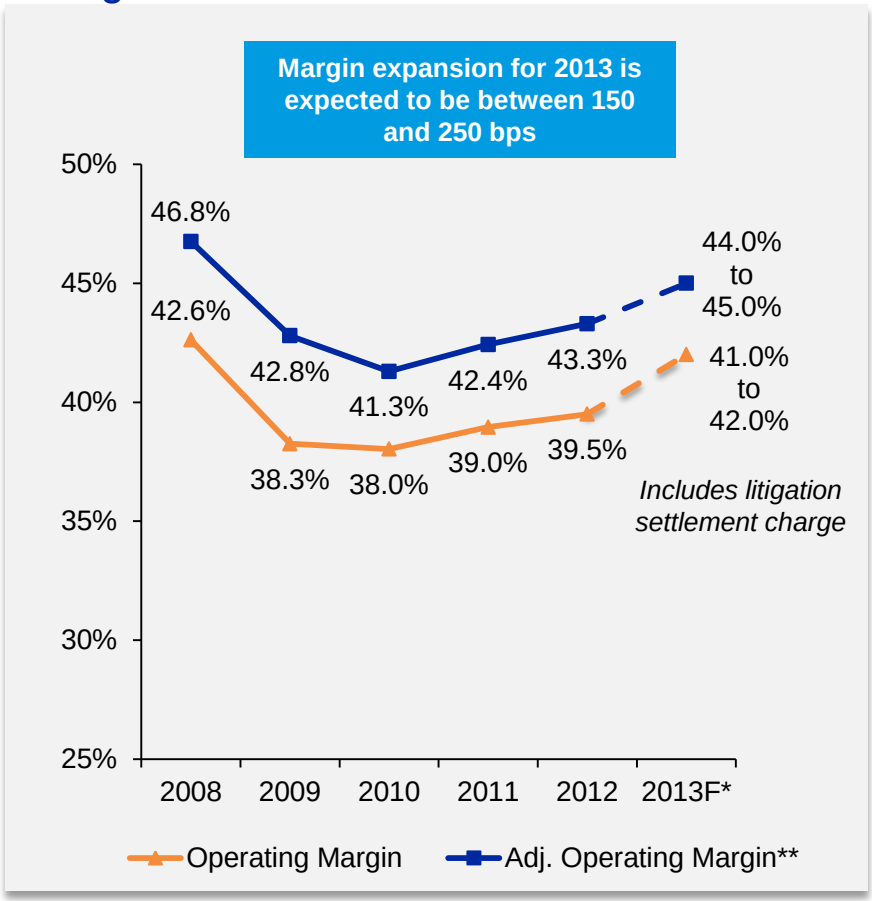


*Debt issuance categories do not directly correspond to Moody's revenue categorization. Historical bond issuance data is sourced from Dealogic and Moody's Capital Markets Research Group. 3Q 2013 issuance estimates include July and August issuance data from Dealogic and Moody's Capital Markets Research Group plus the average issuance forecast for September from Citi and JPMorgan.

**Yield data is sourced from Barclays Capital and Moody's Capital Markets Research Group. % yield on last day of each respective time period. For 3Q'13E, yield data as of 9/13/13.

We Expect Margin Expansion and Double-Digit EPS Growth Again in 2013*

Margin Performance

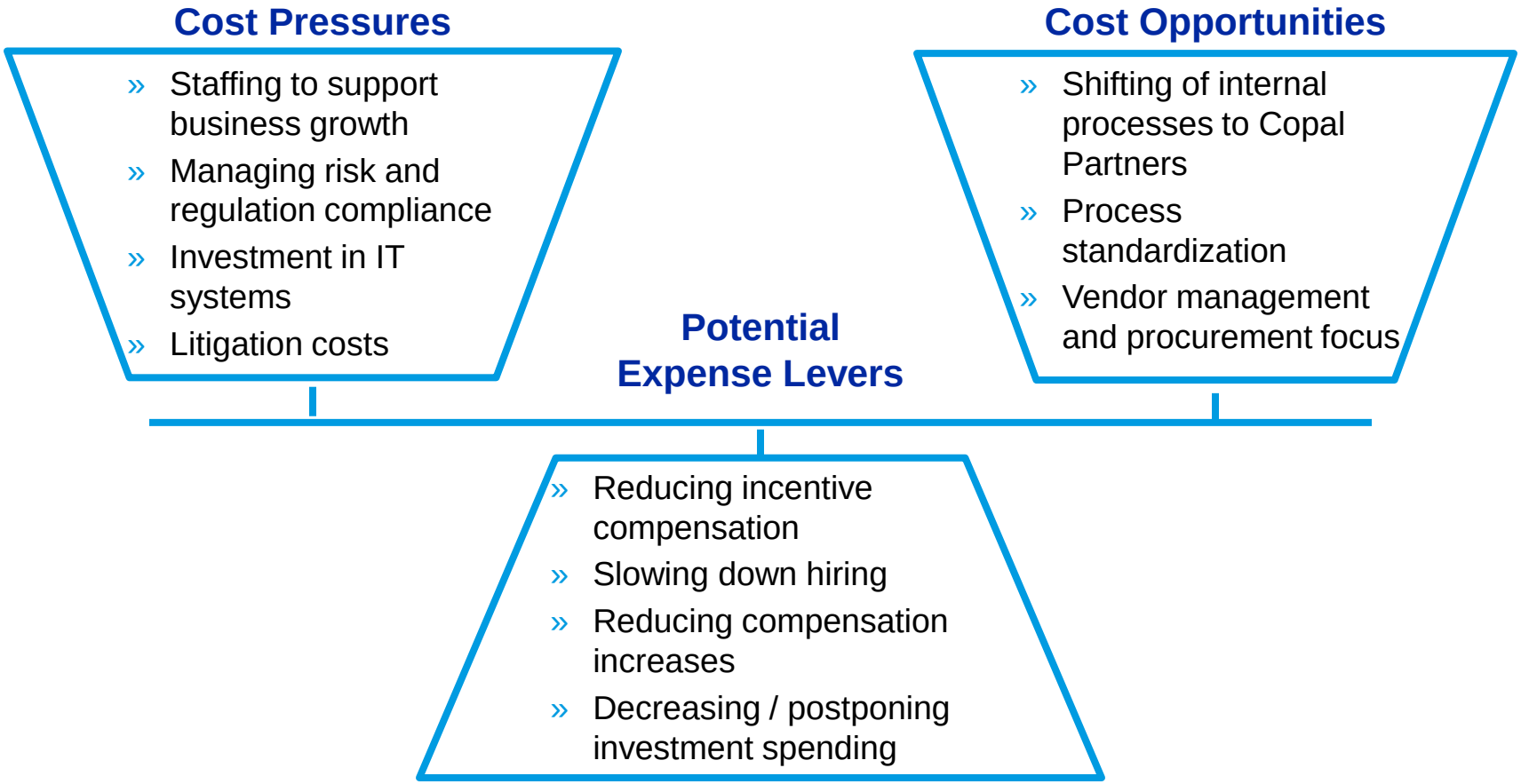


EPS Growth



*Guidance as of September 24, 2013. Operating Margin and Adjusted Operating Margin include the Q1 2013 litigation settlement charge. Non-GAAP FY 2013 EPS guidance range excludes the Q1 2013 litigation settlement charge of $0.14 per share. See Appendix for reconciliation of 2013 forecasted Non-GAAP EPS to forecasted GAAP EPS.
**See Appendix for reconciliation of Operating Margin to Adjusted Operating Margin.

Management is Focused on Balancing Cost Pressures and Opportunities

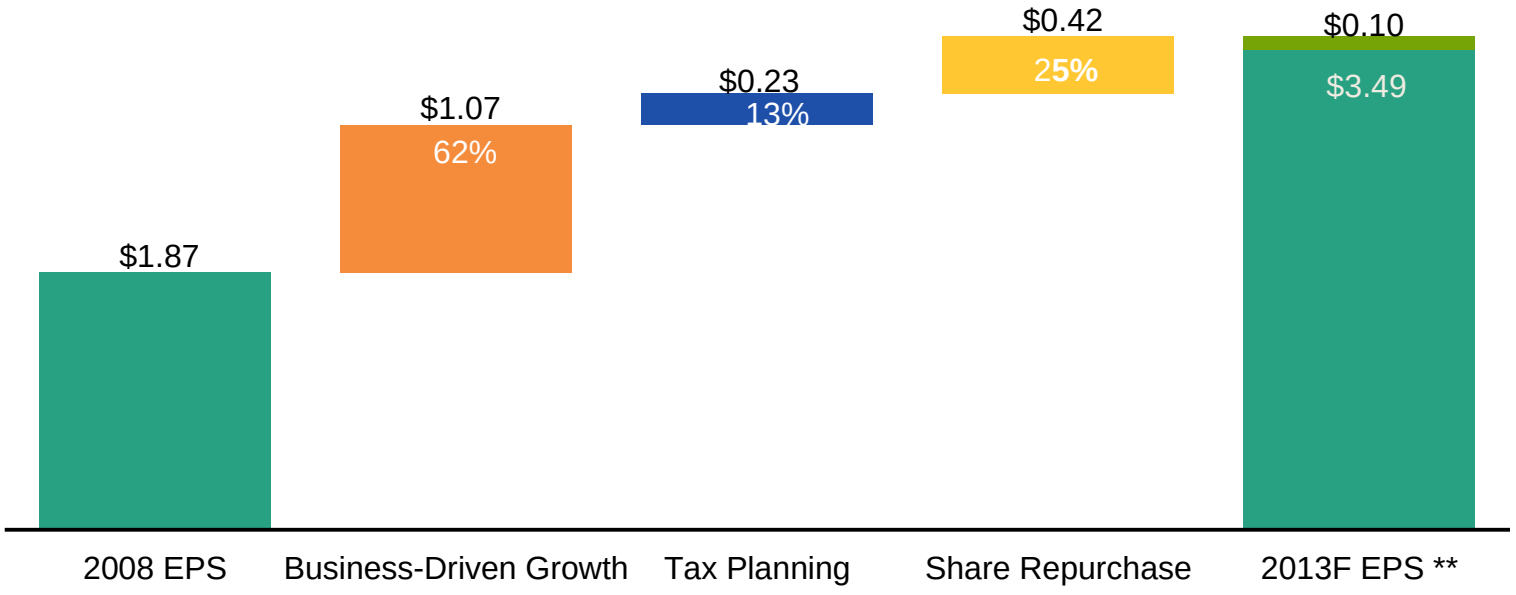


Over the mid-term, we expect operating margin expansion into the mid-40s with quarter to quarter variability

EPS Growth Driven by Business Growth, Tax Planning and Share Repurchases

» Double-digit EPS CAGR from 2008 to 2013 driven by:

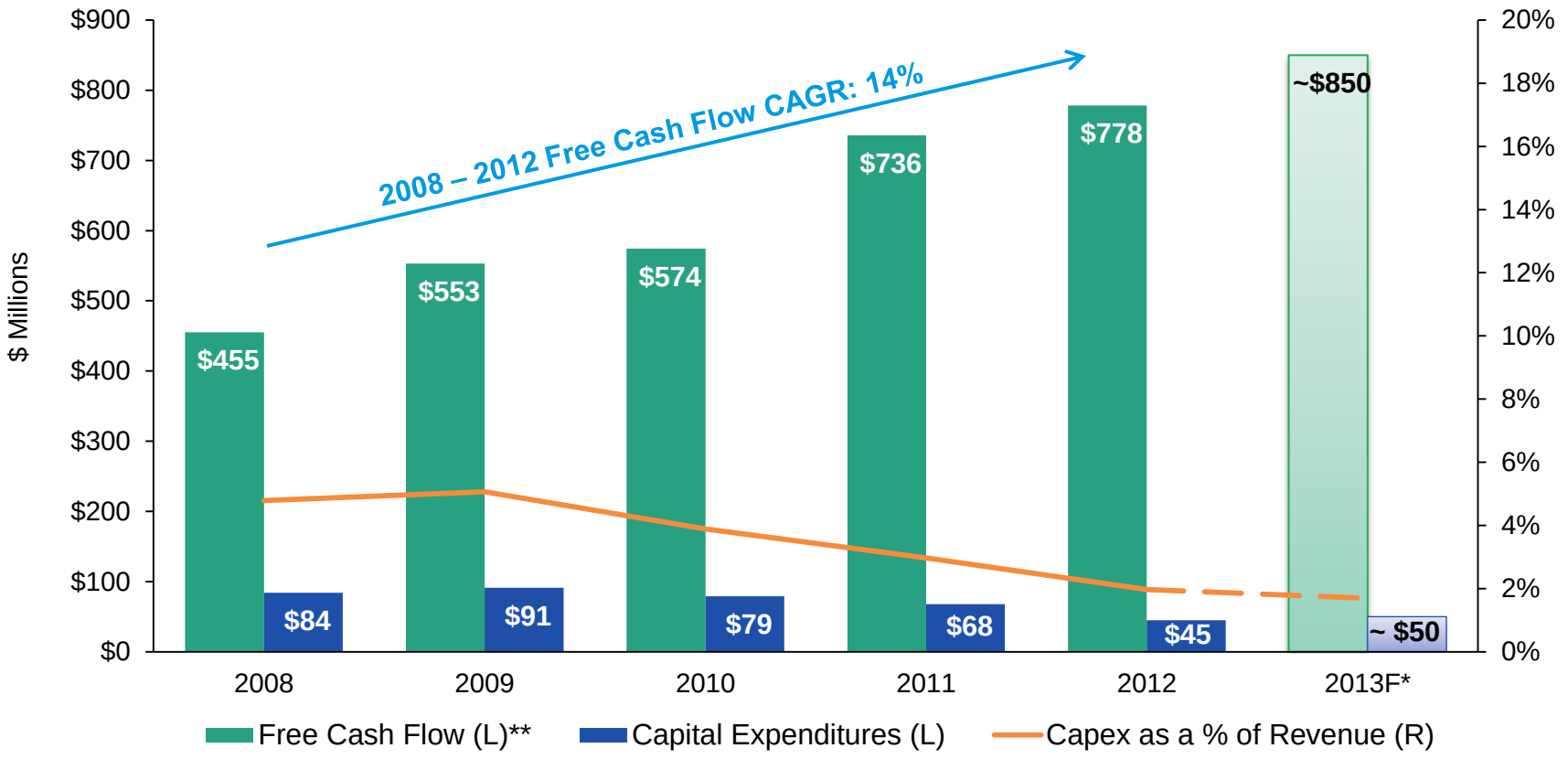
- Double-digit average revenue growth since 2008*
- Tax rate decrease from 37% in 2008 to “approximately 32%” in 2013
- Repurchases of 30 million shares from 2009 through June 30, 2013



*Includes acquisitions

**Excludes impact of Q1 litigation settlement charge of $0.14. Guidance as of September 24, 2013.

Moody's has Strong Cash Flow Generation



*Guidance as of September 24, 2013.
** See Appendix for reconciliation of Cash Flow from Operations to Free Cash Flow.

Capital Allocation Strategy

Moody's Top 10 Shareholders Own 45% of the Company

» **YTD 2013 Investor Relations activity:**

- More than 350 calls and meetings with 200+ institutional investors
- Investor non-deal roadshows in 11 cities in the U.S., Europe and Asia
- Participation at four investor conferences

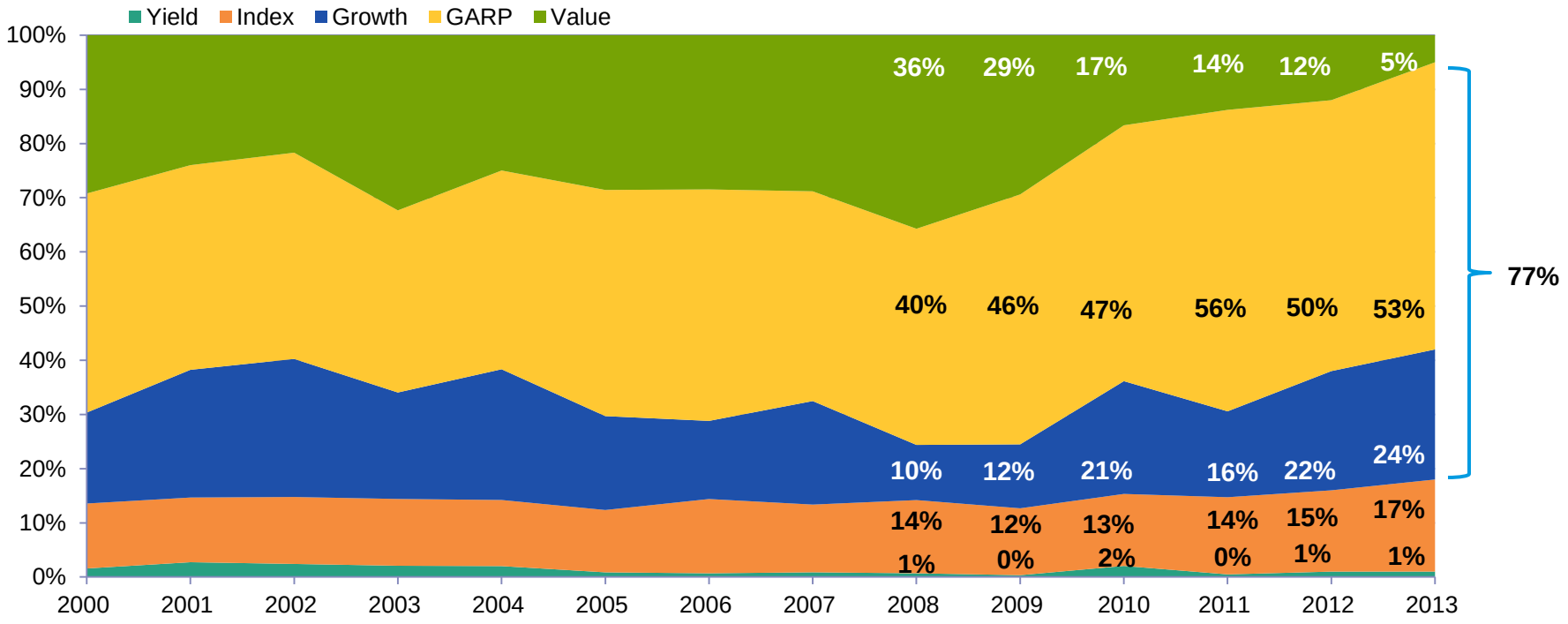
	INSTITUTION	# OF SHARES (MM)	% OWNERSHIP
1	Berkshire Hathaway	24.9	11.3%
2	Capital World Investors	16.9	7.7%
3	Vanguard (Index)	13.9	6.3%
4	State Street Global (Index)	8.0	3.6%
5	The Children's Investment Fund (UK)	7.8	3.5%
6	BlackRock Fund Advisors (Index)	7.7	3.5%
7	MFS Investment Management	5.3	2.4%
8	Baillie Gifford (UK)	5.1	2.3%
9	JPMorgan Investment Management	5.0	2.3%
10	Morgan Stanley (UK)	4.7	2.1%
Total Diluted Shares Outstanding		**220.4**	

Source: Ownership information based on SEC filings As of June 30, 2013

Moody's Shareholders are Increasingly Growth-Oriented and GARP-Oriented

» 77% of Moody's shareholders are GARP or Growth

MCO Ownership By Investment Style

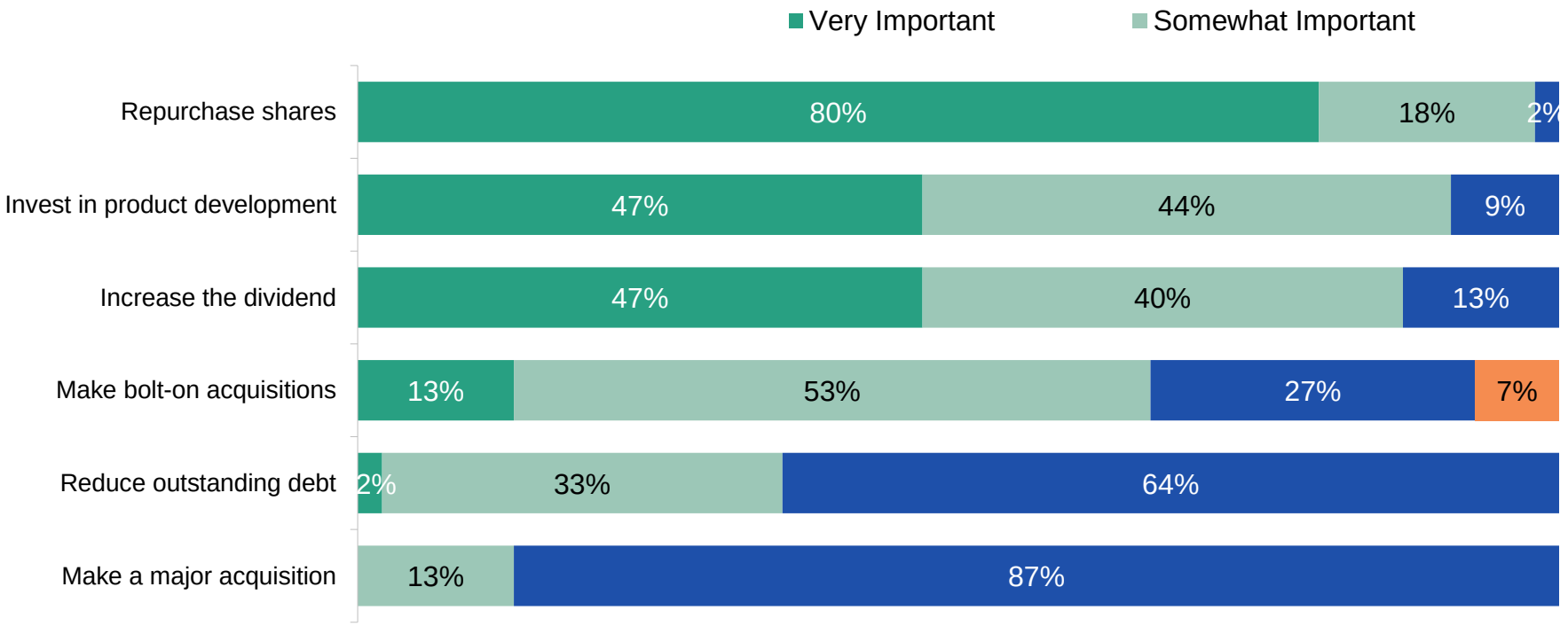


Source: SEC filings; 2000-2012 as of 12/31; 2013 as of 6/30

Moody's Capital Strategy Aligns with Shareholder Preferences

» We survey top shareholders and analysts twice each year

Importance of Moody's Pursuing Various Capital Deployment Initiatives

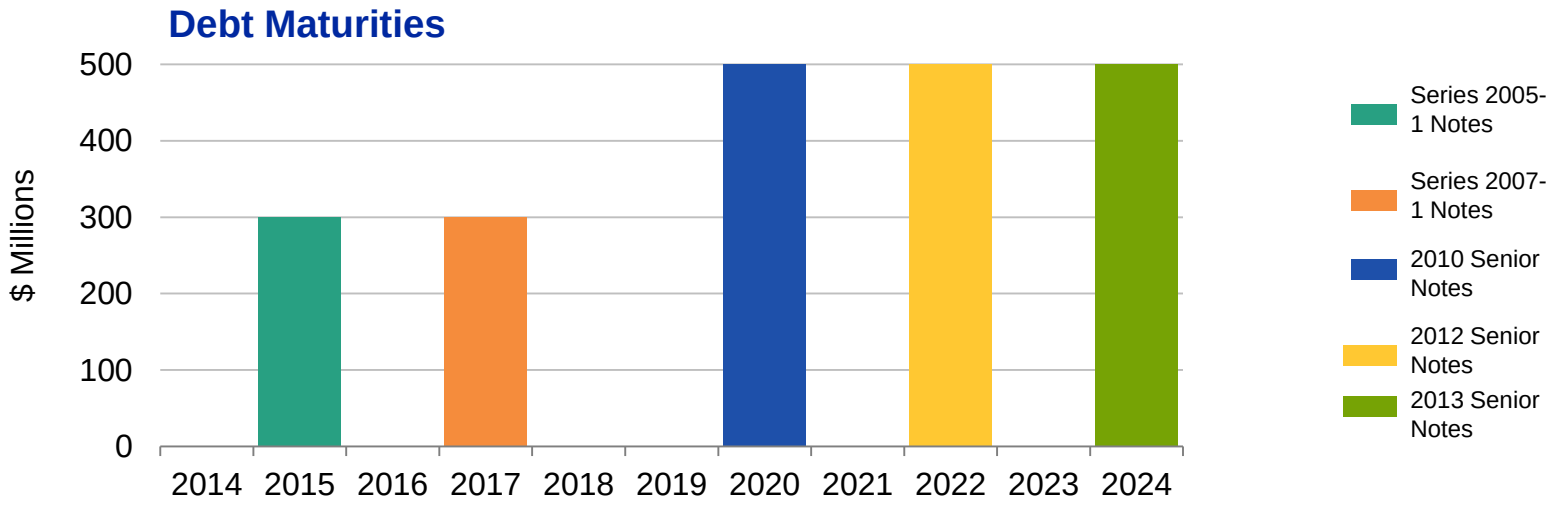


Moody's has Taken Three Important Capital Allocation Steps in 2013

1. **Increased dividend** by 25% from $0.80 per share to $1.00 per share in July 2013
2. **Doubled share repurchase** plans for 2013 from $500 million to $1 billion in July 2013
   - Year-to-date through September 20, 2013, we have repurchased 11.88 million shares at an average price of $61.14
3. **Increased leverage** by ~0.3 "turns" (by S&P's view) via a $500 million bond deal in August 2013

Focus on Financial Flexibility

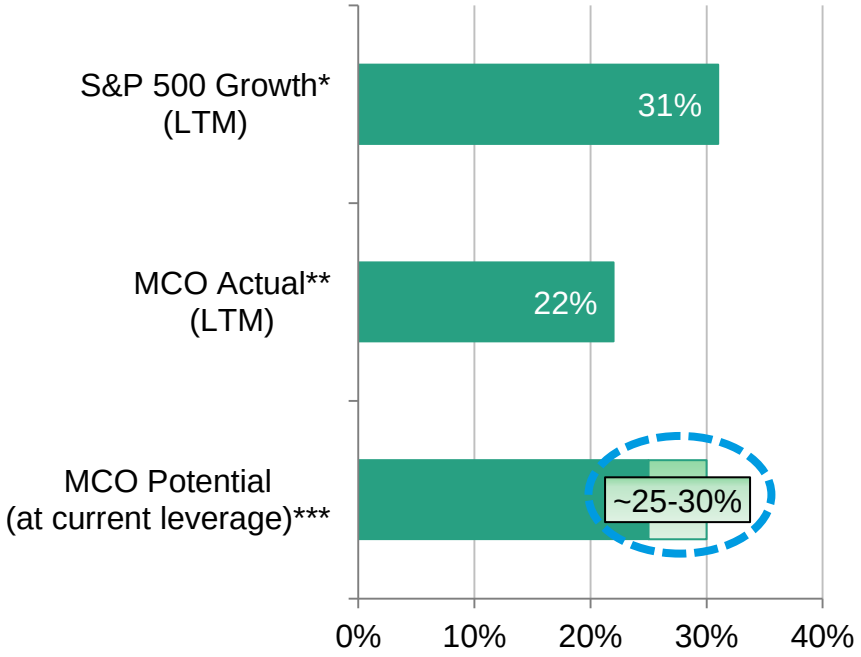
- On August 12, 2013, Moody's issued $500 million senior unsecured notes due 2024
  - Proceeds increased U.S. cash balance
- Well within the key investment grade credit rating leverage threshold of 2.5x adjusted debt/EBITDA at BBB+ from S&P
  - Adjusted debt/EBITDA ratio reflects adjustments to:
    - EBITDA for interest on contractual obligations and stock compensation
    - Debt for (discounted) operating lease and post-retirement obligations
  - Moody's current adjusted debt/EBITDA is ~2.0x*



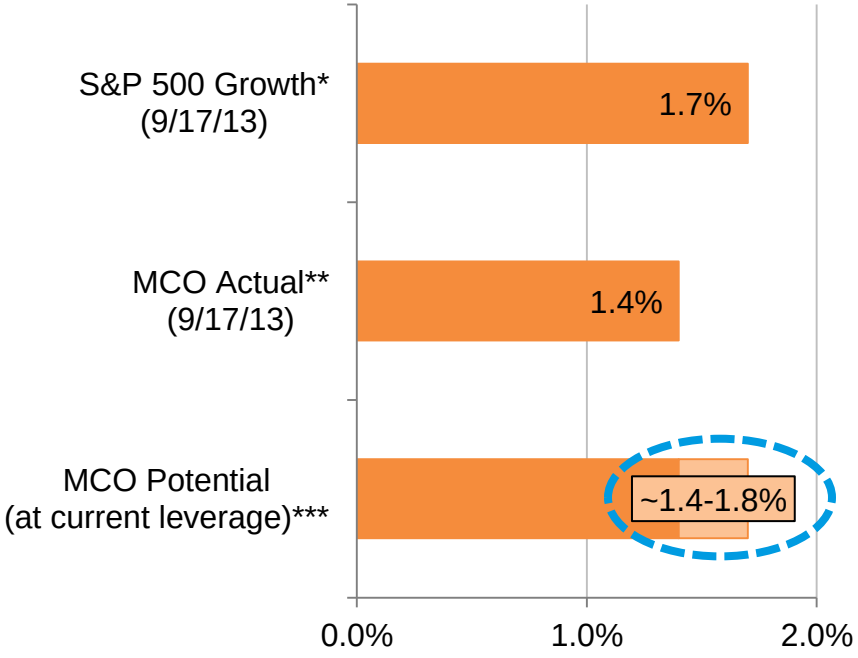
*Adjusted debt/EBITDA ratio estimated by Moody's based on Moody's reported financials as of June 30, 2013, adjusted for August bond issuance of $500M.

We are Committed to Continued Return of Capital via Dividends…

Dividend Payout Ratio



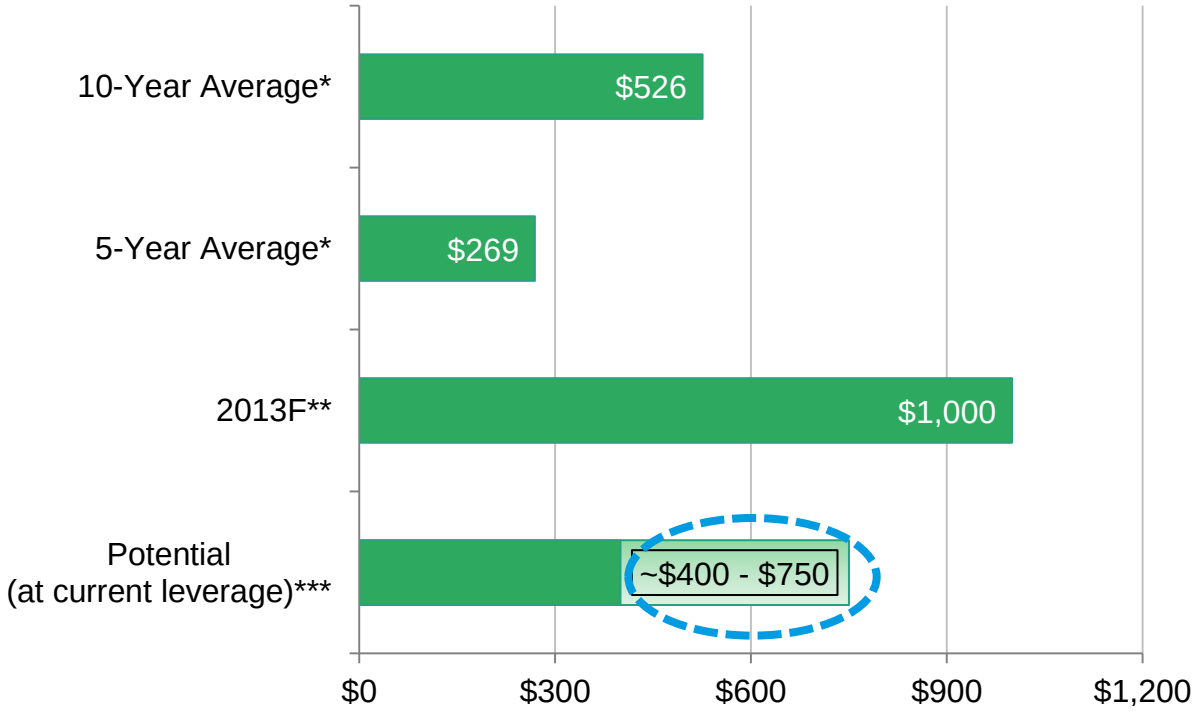
Dividend Yield



Source: Factset, Moody's Corporation.
*Includes companies in the S&P 500 Index with expected long-term EPS growth rates above 10% that pay a dividend. Dividend Payout Ratio (defined as average of LTM dividends per share/EPS) for S&P 500 Growth represents average of companies in each category with a dividend payout ratio <=100%. Dividend Yield (defined as current dividend yield as of 9/17/13) for S&P 500 Growth represents average of companies in each category.
**Dividend Payout Ratio for MCO Actual defined as LTM dividends per share/EPS. Dividend Yield for MCO Actual defined as current dividend yield as of 9/17/13.
***Assumes continued balance of return of capital between dividends and share repurchase.

…and Share Repurchases

MCO Annual Share Repurchase
($ in millions)



- Share repurchases will follow business reinvestment, dividends and attractive acquisitions, and therefore will vary year-to-year
- We endeavor to repurchase enough stock to cover shares issued for compensation, and ideally to reduce our share count

*10-Year Average figure represents average annual share repurchase from 2003-2012. 5-Year Average figure represents average annual share repurchase from 2008-2012.
**2013 Forecast as of September 24, 2013.
***Assumes continued balance of return of capital between dividends and share repurchase.

Full-Year 2013 Guidance as of September 24, 2013

» **Revenue:**	High-single-digit % growth range
» **Operating Expenses:**	Mid-single-digit % growth range, includes 1Q litigation settlement charge
» **Operating Margin:**	41% to 42%, includes 1Q litigation settlement charge
» **Adjusted Operating Margin*:**	44% to 45%, includes 1Q litigation settlement charge
» **Effective Tax Rate:**	Approximately 32%
» **Earnings Per Share**:**	$3.49 - $3.59, excludes 1Q litigation settlement charge
» **Share Repurchases:**	Approximately $1 billion (subject to available cash, market conditions and other ongoing capital allocation decisions)
» **Capital Expenditures:**	Approximately $50 million
» **Depreciation & Amortization:**	Approximately $100 million
» **Incremental Compliance & Regulatory Expenses:**	Approximately $10 million to $15 million
» **Free Cash Flow***:**	Approximately $850 million

*See Appendix for reconciliation of Operating Margin to Adjusted Operating Margin.
** See Appendix for reconciliation of 2013 forecasted Non-GAAP EPS to forecasted GAAP EPS.
***See Appendix for reconciliation of Cash Flow from Operations to Free Cash Flow.

Key Messages

- Very **strong performance** in the first half of 2013
- **Diversification** of our businesses provides ballast
- **Cost-saving strategies** to help drive margin expansion
- **Solid EPS growth** given our operating performance, tax planning and share repurchases
- We are focused on **returning capital to shareholders**
  - 2013 “mini-recapitalization”
  - Added leverage
  - Increased dividend by 25%
  - Increased buy back by 100%

Corporate Development

David Platt
Managing Director, Head of Corporate Development

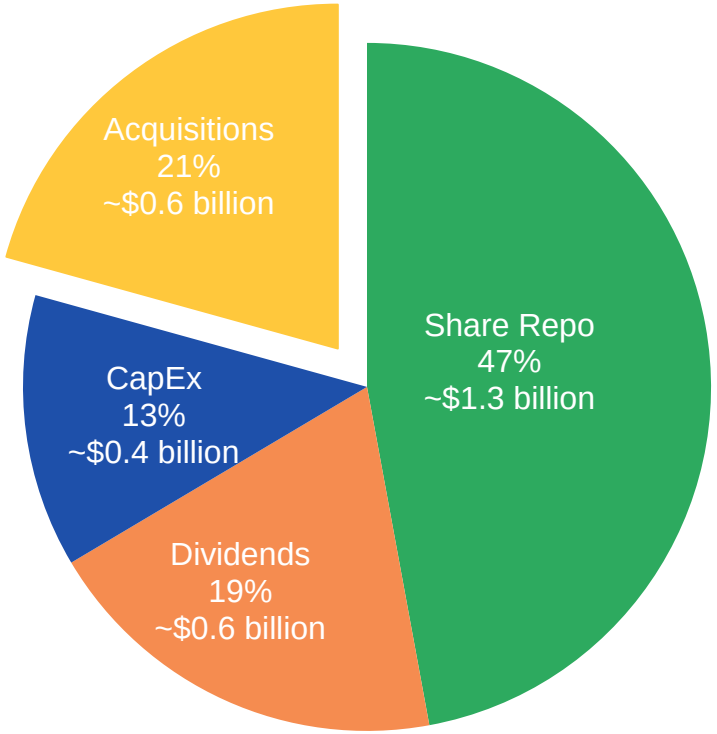
Key Messages

- **Acquisitions have significantly expanded addressable market size for Moody's**
  - From approximately $4 billion to approximately $17 billion
- **Supplement top-line growth for Moody's via bolt-on acquisitions**
  - Leveraging Moody's brand and global distribution with recurring revenue businesses
- **Building scale in high-multiple, high-growth analytics and risk businesses**
  - Adding capabilities to MA to further penetrate core financial institutions client base
  - Created leader in financial services enterprise risk software and solutions
- **Developed local presence in key emerging markets**
  - Acquisition of leading Indian KPO service provider (Copal)
- **Opportunities must pass rigorous strategic and financial review**
  - We consider multiple opportunities but are "picky" and take our time
- **We intend to "stick to our knitting" to defend the core and invest for growth**

Moody's Approach to Corporate Development / M&A

- **Facilitate corporate portfolio decisions**
  - Annual market attractiveness analysis
  - Assessment of competitive landscape and Moody's positioning
  - Prioritization of investments in markets and businesses
- **Lead geographic expansion in high growth markets**
  - Particular focus on emerging and recently "emerged" markets, i.e., China / India
- **Assist lines of business in executing growth strategies**
  - Business plan development
  - Buy vs. build analysis
  - Target screening
  - Proactive outreach
  - Deal execution

MCO Allocation of Cumulative Free Cash Flow 2008 – 2012



Moody's Acquisition Activity

- **Approximately $670 million cumulative purchase price since 2008**
  - No annual target for acquisition spend
  - Multiple deals in some years, no deals in others
- **Acquired >$260 million in first year revenues**
  - Average revenue multiple below 3.0x; before impacts of purchase accounting
  - Average of all transactions in our database across all sectors in which we operate: 3.4x LTM revenues and 16.8x EBITDA
- **Since January 2005, analyzed 500+ companies, acquired:**

	MINORITY INVESTMENT / STAKE INCREASE	MAJORITY ACQUISITION	PRICE RANGE
Ratings	4	3	$1 – 15 million
Analytics	2	11	$2 – 200 million

Moody's Acquisition Criteria

- **Financial parameters**
  - IRR in excess of target cost of capital
  - Annual cash return yield of >10% within 3-5 years
  - Cash payback of 7-9 years
  - GAAP EPS accretive by year 3 (where applicable)
- **Target profile**
  - Complementary ratings or "standards" businesses, content, data / analytics, risk management, etc., in existing and/or high growth markets (sector or geography)
  - Financial services client base that can leverage Moody's brand, and distribution and core credit expertise and analytic capabilities, i.e., demonstrable synergies
  - Recurring or "repeat" revenue
  - Typically low capital intensity
  - Historically middle market / bolt-on focus: $25 – $200 million purchase price

Profile of Recent Transactions / Performance

PROFILE	CSI	COPAL	B&H
Ratings or standards	✓		
High growth market		✓	✓
Leverages Moody's competencies	✓	✓	✓
Demonstrable synergies	✓	✓	✓
Recurring or "repeat need" revenue	✓	✓	✓

PERFORMANCE	CSI	COPAL	B&H
Overall	Behind	On track	On track

- **CSI experiencing some softness due to slowdown in financial services hiring**
  - Completed integration with legacy training business; vigilant expense controls in place
- **Copal has delivered solid results and strong fit with financial services customers**
  - Moody's has realized meaningful cost savings using Copal for various internal functions
- **B&H fully integrated into ERS, performing well and supporting insurance growth**

Moody's Post-Acquisition Monitoring

- **Generally prefer to fully integrate (within acquiring business unit) albeit practical approach to maintain unique and/or entrepreneurial characteristics**
  - Corporate functions, sales force, IT, etc.
- **Acquisition tracking for 3 years after acquisition for transactions >$10 million**

Quarterly dashboard

- Track key performance indicators
  - Measurable, relevant, allow us to track vs. acquisition model
  - Financial metrics: revenues and EBITDA (when possible) vs. acquisition model and budget
  - Operational metrics: client retention, employee retention, new sales, etc.

Annual review

- Post-acquisition annual reviews
  - Review of financial performance vs. acquisition model
  - What went as planned vs. what didn't
  - Incorporate "lessons learned" into acquisition process
  - Overall strategic assessment of acquisition (performance, fit, other benefits and issues)
- Annual impairment testing

Executive Compensation

Lisa Westlake
Senior Vice President, Chief Human Resources Officer

Moody's Compensation Philosophy and Structure Balance Short and Long-term Results, Aligning Management and Shareholders' Interests

- Link realized compensation to the achievement of Moody's financial and operating objectives and to the individual's performance
- Align executives' rewards with shareholders' interests
- Provide a competitive total compensation package that will motivate executives to perform at a superior level and will assist in incentivizing and retaining them

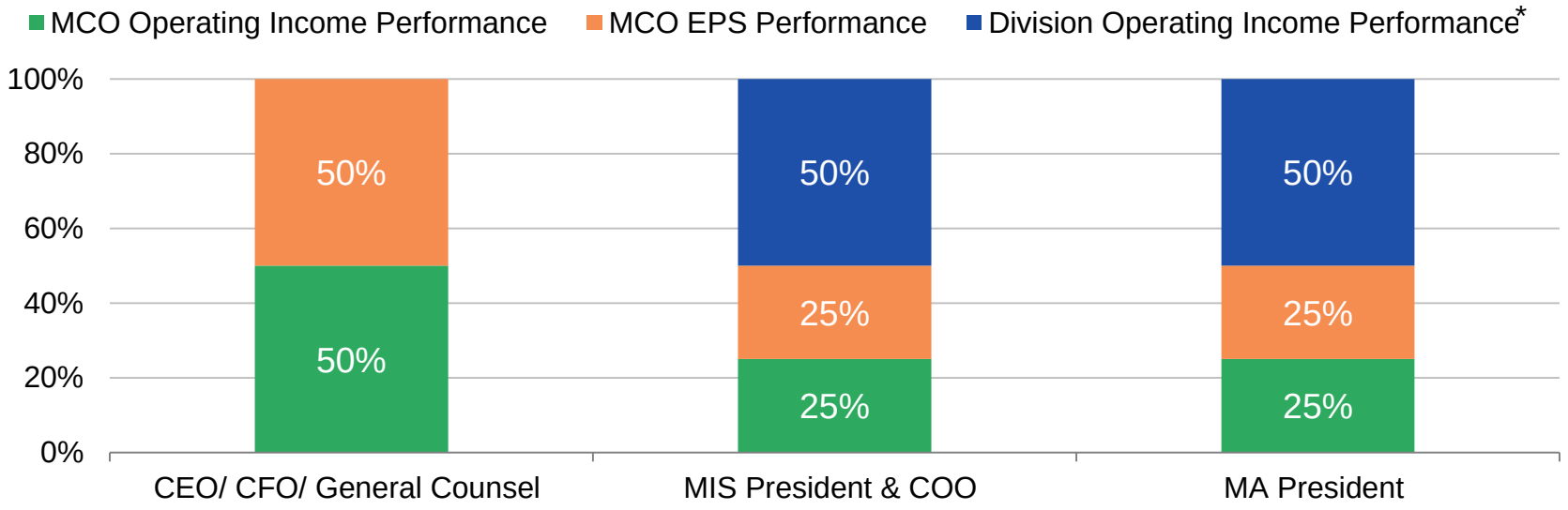
Moody's current Executive Compensation program comprises the following components:

BASE SALARY	ANNUAL CASH INCENTIVES	LONG-TERM INCENTIVE COMPENSATION
Generally set at approximate median of salaries of executives in similar positions within Moody's peer group and/or the broader financial services market	Target amounts set at the approximate median against Moody's peer group and/or the broader financial services market	Two components: 40% Stock options 60% 3-year performance shares that are earned only if pre-established performance goals are met or exceeded

Annual Cash Incentives Fund based on Operating Performance

» **Funding metrics for the named executive officers (NEOs) differ based upon their individual areas of responsibility**

NEO Funding Metrics - Weightings



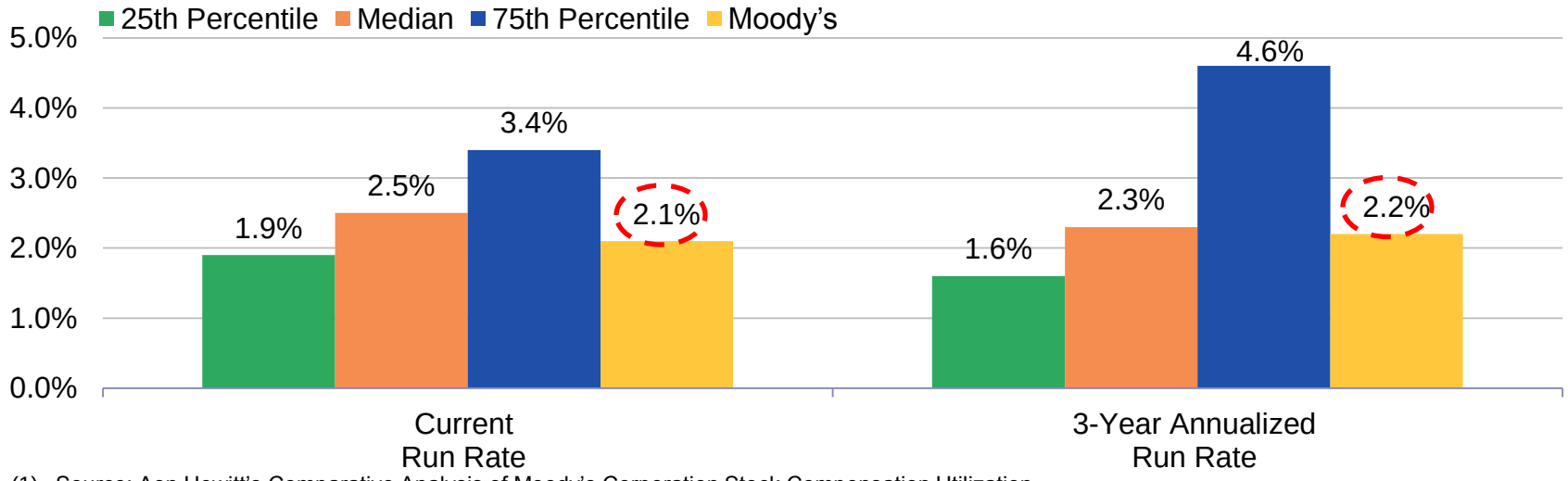
» **Institutional Investor satisfaction survey** modifier adjusts the total funding of the annual cash incentive program by up to +/- 10% based on achievements versus Moody's customer value goals**

*MIS Operating Income for MIS President and MA Operating Income for MA President.
**Survey targets debt investors.

Share Utilization is Monitored and in Line with Peer Group

- The Board considers competitive grant values and share utilization practices of Moody's peer group, and works to align the interests of executives with shareholders, while also motivating executives to improve Moody's current market position
- Moody's grants long-term incentives to approximately 25% of its employee population
- Top 1% receive a combination of stock options & performance shares; all others receive restricted stock
- For the last three years, Moody's has maintained a utilization rate between the 25th percentile and median of its proxy peer group

Share Utilization Rate – Peer Group vs. Moody's (1)

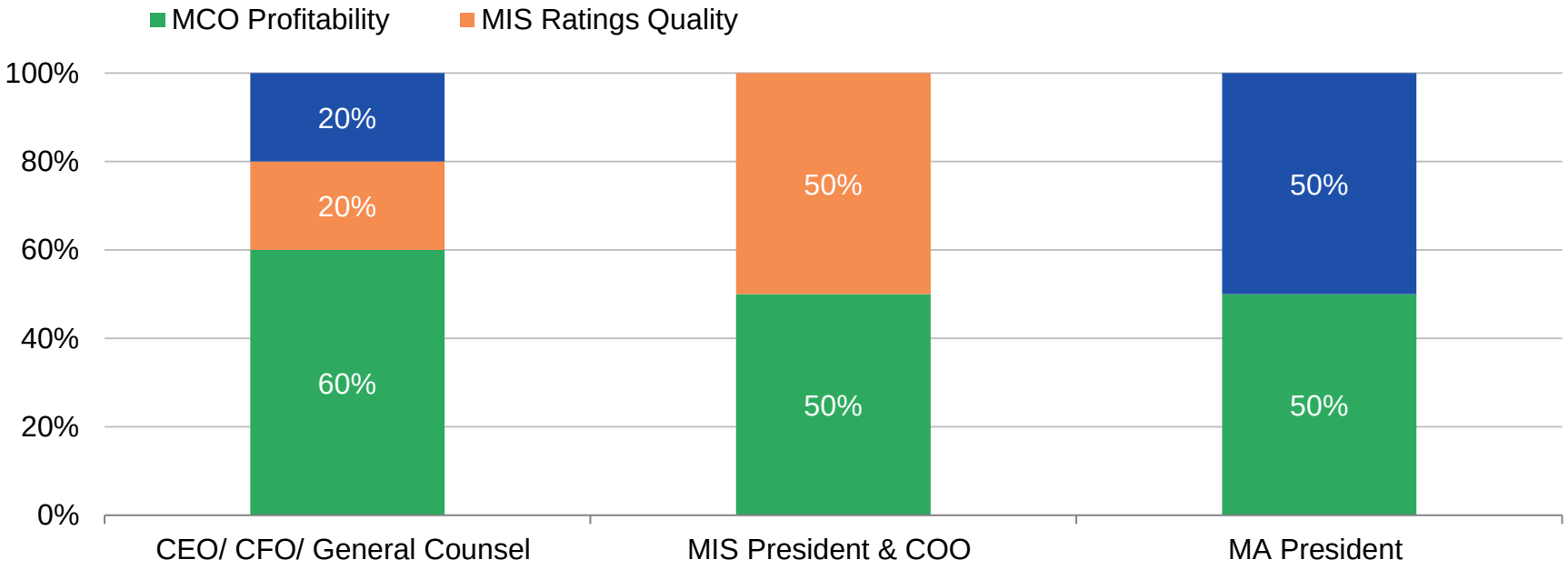


(1) Source: Aon Hewitt's Comparative Analysis of Moody's Corporation Stock Compensation Utilization

Long-Term Incentives are Performance Focused, Based on Operating Results and Share Price Appreciation

- Stock options vest over 4 years in annual 25% increments; expire 10 years following grant date
- Performance shares earned if certain cumulative *three-year* performance goals are achieved or exceeded
  - Weights of performance goals vary depending on each executive's role and responsibilities as depicted in the chart below

LTI Performance Goal Weightings



Stock Ownership Guidelines Reinforce Alignment of Management with Shareholders

- Executive officers are expected, within 5 years, to acquire and hold MCO shares equal in value to a specified multiple of their base salary
  - 6x base salary for CEO
  - 3x base salary for remaining named executive officers
  - 5x annual cash retainer for non-management Board directors
- Moody's NEOs hold significantly more shares than required; non-management Board directors are each in compliance of the guidelines

Key Messages

- Moody's executive compensation plans are directly aligned with shareholders' interests
- Moody's has robust, independent governance around executive compensation
- Moody's executive compensation is routinely benchmarked and in line with that of its peers, and with the broader financial services industry
- Shareholders approved Moody's executive compensation in 2012 with a 95% favorable vote

Moody's

Q&A

LINDA HUBER, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

DAVID PLATT, MANAGING DIRECTOR, HEAD OF CORPORATE DEVELOPMENT

LISA WESTLAKE, SENIOR VICE PRESIDENT, CHIEF HUMAN RESOURCES OFFICER



THE MOODY'S FOUNDATION

Video

Moody's

Closing and Thanks

Moody's Investor Day 2013 Presenters

Salli Schwartz



Global Head of Investor Relations

Salli Schwartz is Global Head of Investor Relations at Moody's. In this role, Ms. Schwartz is responsible for communications with Moody's current and prospective shareholders and sell-side analysts, and for managing Moody's Investor Relations team.

Ms. Schwartz, who joined Moody's in 2007, served previously as Vice President — Corporate Development, where she was responsible for various corporate development and strategic planning initiatives, including acquisitions, joint ventures and strategic alliances.

Prior to joining Moody's, Ms. Schwartz held positions in corporate strategy, corporate treasury and planning and analysis for investment research with Citigroup. She has also held investment banking and merchant banking positions with Legg Mason, Inc. Ms. Schwartz has a Master of Business Administration from Cornell University and a Bachelor of Arts from the University of Pennsylvania, both with distinction.

Ray McDaniel



President and Chief Executive Officer

Raymond W. McDaniel, Jr. is President and Chief Executive Officer of Moody's Corporation. In this role, Mr. McDaniel is responsible for all activities of the Company and its two operating divisions: Moody's Investors Service, the credit rating agency; and Moody's Analytics.

Mr. McDaniel has held a variety of positions since joining the Company in 1987. He was named President of Moody's Investors Service in November 2001. He was promoted to Executive Vice President of the Company and was elected to its board of directors in April 2003. Mr. McDaniel served as the Company's President from October 2004 until April 2005 and the Company's Chief Operating Officer from January 2004 until April 2005. He has served as CEO since April 2005, was named President in April 2012, and served as the Chairman of the Board from April 2005 until April 2012.

Mr. McDaniel holds a J.D. from Emory University School of Law and a B.A. in political science from Colgate University. He was admitted to the Bar of the State of New York in 1984, and is a member of the board of directors of John Wiley & Sons, Inc.

Moody's Investor Day 2013 Presenters

Mark Zandi



Chief Economist, Moody's Analytics

Mark M. Zandi is chief economist of Moody's Analytics, where he directs economic research. Moody's Analytics, a subsidiary of Moody's Corp., is a leading provider of economic research, data and analytical tools. Dr. Zandi is a cofounder of Economy.com, which Moody's purchased in 2005.

A trusted adviser to policymakers and an influential source of economic analysis for businesses, journalists and the public, Dr. Zandi has frequently testified before Congress and has advised the Obama administration as well as Senator John McCain's presidential campaign. Dr. Zandi is often quoted in national and global publications and interviewed by major news media outlets and is the author of Financial Shock, an exposé of the financial crisis. His forthcoming book, Paying the Price, provides a roadmap for meeting the nation's daunting fiscal challenges.

Dr. Zandi received his Ph.D. at the University of Pennsylvania, where he did his research with Gerard Adams and Nobel laureate Lawrence Klein, and received his B.S. from the Wharton School at the University of Pennsylvania.

Michel Madelain



President and Chief Operating Officer, Moody's Investors Service

Michel Madelain is President and Chief Operating Officer of Moody's Investors Service, and is responsible for setting the strategic direction and managing the day-to-day operations of Moody's ratings business. He was named Chief Operating Officer of Moody's Investors Service in May 2008 and was named President in November 2010. Prior to this role, he held the position of Executive Vice President, Fundamental Ratings, with responsibility for all global fundamental ratings, including corporate finance, financial institutions, public finance and infrastructure finance. Previously, he was Senior Managing Director with responsibility for global banking. Prior to this position, Mr. Madelain managed Moody's corporate ratings in Europe, Middle East and Africa and held several Managing Director positions in the U.S. and the U.K. fundamental rating groups.

Prior to joining Moody's in 1994, Mr. Madelain was a Partner of Ernst & Young, Auditing Practice. Mr. Madelain is a graduate of the Ecole Superieure de Commerce de Rouen, Rouen, France, and holds an MBA in management from Northwestern University, Evanston, Illinois. He is qualified as a Chartered Accountant in France.

Moody's Investor Day 2013 Presenters

Rob Fauber



Managing Director, Head of Commercial Group

Rob Fauber is currently the global Head of the Commercial Group at Moody's Investors Service, a position which he assumed in January 2013. In this capacity, Mr. Fauber oversees relationship management, product development, and strategic initiatives for the rating agency. Prior to this, Mr. Fauber served as Senior Vice President of Corporate Development for Moody's Corporation for almost 8 years, where he led the Company's acquisition and divestiture activity as well as corporate strategy. This function continues to report to Mr. Fauber.

Prior to joining Moody's, Mr. Fauber served in several roles at Citigroup from 1999 - 2005, including most recently, Director of Planning and Business Development for Citigroup's Alternative Investments division. Prior to that, he worked as a Director in Corporate Strategy & Business Development for Citigroup parent, and a Vice President and Associate in the Financial Sponsor and Telecom investment banking groups at the firm's Salomon Smith Barney subsidiary. Mr. Fauber started his career at NationsBank (now Bank of America).

Mr. Fauber holds an M.B.A. (with distinction) from The Johnson School of Management at Cornell University and a B.A. in economics from the University of Virginia.

John Goggins



Executive Vice President and General Counsel

John Goggins is Executive Vice President & General Counsel of Moody's Corporation. In this role, Mr. Goggins is responsible for managing all legal and regulatory matters for the company, including litigation, corporate governance and transactions, securities regulation and intellectual property, as well as the company's regulatory affairs and compliance activities. Mr. Goggins joined the firm in 1999 as Vice President and Associate General Counsel.

Prior to joining Moody's, he served as Counsel for Dow Jones & Company from 1995 to 1999, responsible for SEC compliance, corporate finance, executive compensation, investor relations and negotiating acquisitions, dispositions and joint ventures. Mr. Goggins was an Associate with Cadwalader, Wickersham & Taft from 1985 to 1995 where he worked on mergers and acquisitions.

Mr. Goggins holds a J.D. from the University of Chicago and a B.A in economics and history from Amherst College. He is a member of the New York State Bar.

Moody's Investor Day 2013 Presenters

Mark Almeida



President, Moody's Analytics

Mark Almeida has been President of Moody's Analytics since January 2008. Prior to this position, Mr. Almeida was Senior Managing Director of the Investor Services Group (ISG) at Moody's Investors Service, where he was responsible for sales and development of Moody's portfolio of research products and services.

Mr. Almeida joined the Corporate Finance division of Moody's Investors Service in 1988. Based in London in the early 1990s, he organized a marketing team to position Moody's for the business opportunities anticipated from the development of the European debt capital markets. Mr. Almeida was named Group Managing Director, Investor Services in 2000, and was promoted to Senior Managing Director in 2004.

Prior to joining Moody's, Mr. Almeida worked in marketing and regional economics for Chase Econometrics, a consulting subsidiary of The Chase Manhattan Bank. He holds a B.A. from St. Joseph's University in Philadelphia and an M.B.A. from the Leonard N. Stern School of Business at New York University.

Steve Tulenko



Executive Director, Enterprise Risk Solutions

Stephen Tulenko serves as Executive Director - Enterprise Risk Solutions for Moody's Analytics. Prior to this appointment, Mr. Tulenko was Executive Director - Sales, Customer Service and Marketing from 2008 to 2013.

Mr. Tulenko also worked as Group Managing Director, Global Head of Sales for the Investor Services Group within Moody's Investors Service, a unit dedicated to providing credit research and risk management tools to buy-side and sell-side institutions. A Managing Director in the organization since 1998, Mr. Tulenko has also managed marketing and product development teams within Moody's.

Mr. Tulenko joined Moody's in 1990. He holds an undergraduate degree in Economics and Business Administration from the University of Notre Dame and an M.B.A. in Finance, Marketing and International Business from the Stern School of Business at New York University.

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Moody's Investor Day 2013 Presenters

Linda Huber



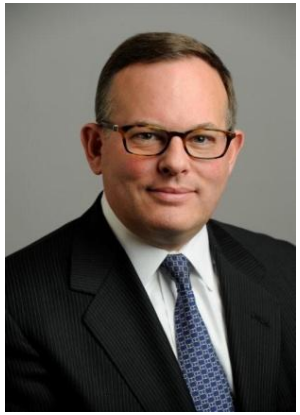
Executive Vice President and Chief Financial Officer

Linda Huber is Executive Vice President and Chief Financial Officer of Moody's Corporation. Ms. Huber has executive responsibility for the corporation's global finance activities, including accounting and financial reporting, tax, treasury, business planning, investor relations and internal audit. She is also responsible for Moody's information technology, communications and middle office functions.

Prior to joining Moody's, Ms. Huber was Executive Vice President and Chief Financial Officer at U.S. Trust Company, a subsidiary of Charles Schwab & Company, Inc., from 2003 to 2005. Previously, she was Managing Director at Freeman & Co. from 1998 through 2002. Ms. Huber served PepsiCo as Vice President of Corporate Strategy and Development from 1997 until 1998, and as Vice President and Assistant Treasurer from 1994 until 1997. From 1991 until 1994, Ms. Huber was a Vice President in the Energy Investment Banking Group at Bankers Trust Company, and was an Associate in the Energy Group at The First Boston Corporation from 1986 through 1990. Ms. Huber held the rank of Captain in the U.S. Army, where she served from 1980 to 1984. During her years of military service, she received two Meritorious Service Medals and is airborne qualified.

Ms. Huber holds an MBA from Stanford Graduate School of Business and a B.S. (with high honors) in business and economics from Lehigh University.

David Platt



Managing Director, Head of Corporate Development

David Platt became Managing Director and Head of Corporate Development for Moody's Corporation in January 2013. He runs the Company's corporate development group, which includes the origination, evaluation, and execution of investment, merger, and acquisition opportunities as well as corporate strategy.

Mr. Platt has over 20 years of investment banking experience having executed assignments across a wide range of industries and advised Moody's on the acquisition of CSI Global Education. Prior to joining Moody's, Mr. Platt's experience includes Middle Market M&A and Exclusive Sales at Deutsche Bank. Prior to Deutsche Bank, Mr. Platt was a Managing Director in the M&A Group at Bank of America and held similar roles in the M&A Groups at Citigroup and DLJ. Mr. Platt started his post-graduate career at Fidelity Investments where his responsibilities included credit risk assessment of corporate and municipal issuers as well as structured products.

Mr. Platt holds an MBA from the University of Chicago Graduate School of Business, a BA from the University of California, Berkeley in Political Economies of Industrialized Societies and earned the CFA designation.

Moody’s Investor Day 2013 Presenters

Lisa Westlake



Senior Vice President and Chief Human Resources Officer

Lisa Westlake is Chief Human Resources Officer for Moody's Corporation, a role she took on in November 2008 after serving two years as Vice President of Investor Relations. Ms. Westlake joined Moody's in 2004 as Managing Director – Finance, responsible for leading Treasury, Tax, and Business Planning for the firm and was appointed as a corporate officer in 2007.

Prior to joining Moody's, Ms. Westlake was a Senior Consultant with the Schiff Consulting Group from 2003 to 2004 specializing in leadership strategies for finance executives.

She was previously at American Express as Vice President and Chief Financial Officer for the OPEN Small Business Network where she oversaw more than $50 billion of small business spending and $6 billion of small business lending. Prior positions at American Express included Vice President and Chief Financial Officer for Establishment Services and before that for Relationship Services. She was at American Express from 1996 through 2003.

From 1989 until 1995 Ms. Westlake held a range of financial management positions at the Dun & Bradstreet Corporation and its subsidiary at the time, IMS International.

Ms. Westlake holds an MBA from Columbia University Graduate School of Business and an AB in Biochemistry from Dartmouth College.

Appendix

Reconciliation of Non-GAAP Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation

(in $ millions)	2008	2009	2010	2011	2012
As Reported Operating Income	$ 748.2	$ 687.5	$ 772.8	$ 888.4	$1,077.4
Operating Margin	*42.6%*	*38.3%*	*38.0%*	*39.0%*	*39.5%*
Add Adjustment:					
Depreciation & Amortization	*$ 75.1*	*$ 64.1*	*$ 66.3*	*$ 79.2*	*$ 93.5*
Restructuring	*(2.5)*	*17.5*	*0.1*	-	-
Goodwill Impairment Charge	-	-	-	-	*12.2*
Adjusted Operating Income	$ 820.8	$ 769.1	$ 839.2	$ 967.6	$ 1,183.1
Adjusted Operating Margin	*46.8%*	*42.8%*	*41.3%*	*42.4%*	*43.3%*

Moody's Corporation Operating Margin Guidance Reconciliation

	2013F*
Projected Operating Margin - GAAP	41% to 42%
Projected impact from Depreciation & Amortization	Approximately 3%
Projected Adjusted Operating Margin	44% to 45%

*Guidance as of September 24, 2013.

Reconciliation of Non-GAAP Financial Measures to GAAP (cont.)

Non-GAAP Projected Diluted EPS Guidance Reconciliation

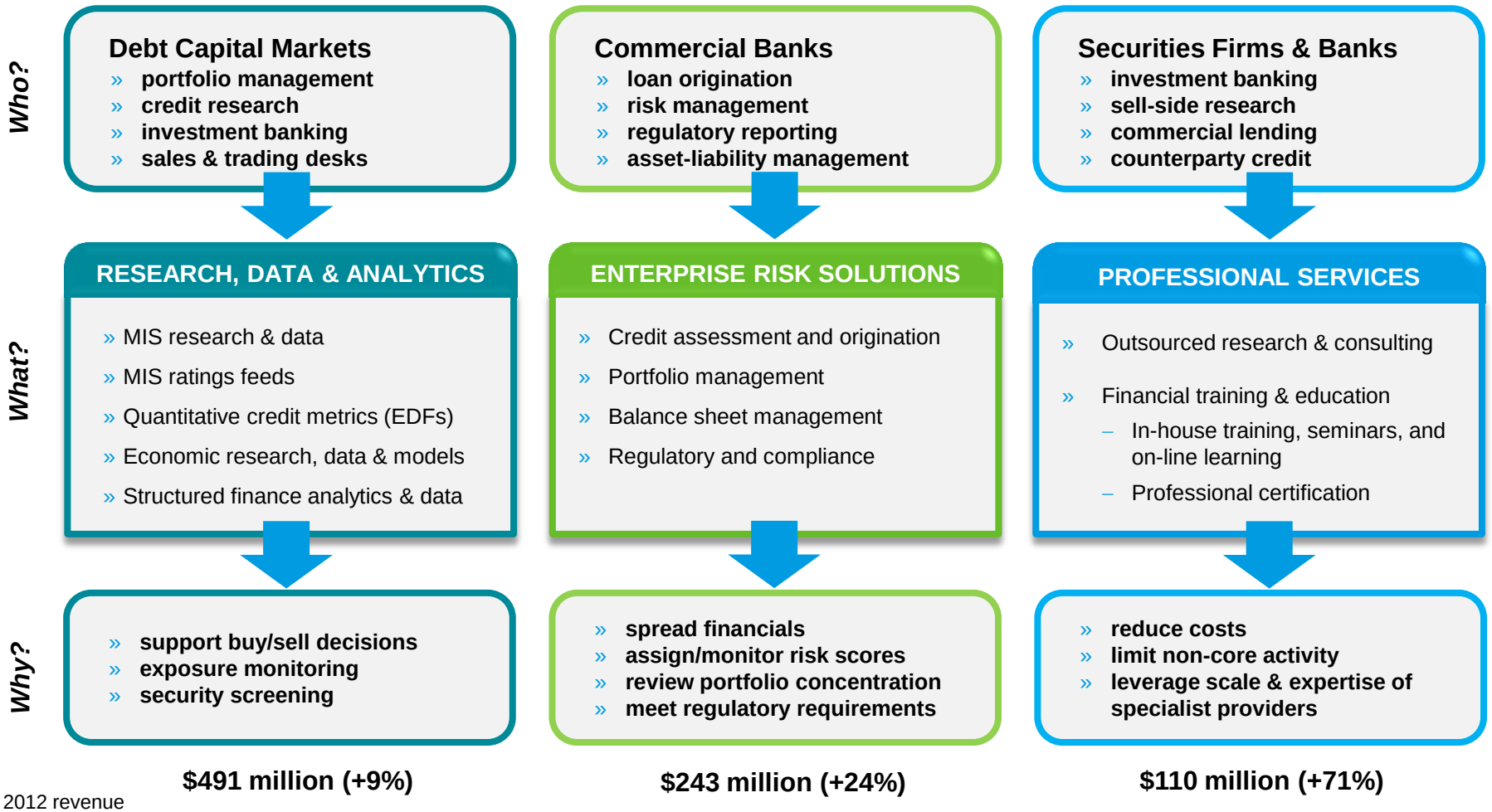
		PROJECTED FULL-YEAR ENDED DECEMBER 31,
		2013F
Diluted EPS guidance - GAAP	$	3.35 - 3.45
Impact of litigation settlement		0.14
Diluted EPS guidance - Non-GAAP	$	3.49 - 3.59

Moody's Corporation Free Cash Flow Reconciliation

(in $ millions)	2008	2009	2010	2011	2012	2013F*
Cash Flow from Operations	$ 539.7	$ 643.8	$ 653.3	$ 803.3	$ 823.1	$ ~900.0
Less Adjustment:						
Capital Expenditures	*$ 84.4*	*$ 90.7*	*$ 79.0*	*$ 67.7*	*$ 45.0*	*$ ~50.0*
Free Cash Flow	$ 455.3	$ 553.1	$ 574.3	$ 735.6	$ 778.1	$ ~850.0
Cash Flow used in Investing Activities	$ (319.3)	$ (93.8)	$ (228.8)	$ (267.6)	$ (50.2)	
Cash Flow provided by (used in) Financing Activities	$ (349.8)	$ (348.8)	$ (241.3)	$ (417.7)	$ 202.6	

*Guidance as of September 24, 2013.

Moody's Analytics: Helping Financial Institutions Manage Risk: Who, What, Why



Moody's Analytics: Opportunity Summary

	RESEARCH, DATA & ANALYTICS	ENTERPRISE RISK SOLUTIONS	PROFESSIONAL SERVICES
Value Proposition	» **Exclusive distributor** of MIS content » **Market-leading quantitative credit risk metrics** » Application of econometric models to portfolio-specific credit risk management » Library of cash-flow models for MBS & ABS	» Domain **expertise in banking & credit risk management** » World-class **software engineering** » Effective project management & execution	» Scalable offshoring model to provide analytical support to front-line bankers » **Exclusive certification franchise** in Canadian securities market
Primary Customers	» Debt capital markets participants – buy-side & sell-side	» Banking » Insurance	» Investment & commercial banks, investment managers, broker-dealers
Demand Drivers	» Moody's **embedded position** in bond markets » New innovations in debt capital markets » Development of regional credit markets » Adoption of enhanced credit risk practices at non-financial companies	» **Regulation (Basel, CCAR, Solvency II)** » Adoption of **global best practices** in risk management » Emerging **"utility" model** for risk management infrastructure	» **Drive for cost reduction** among financial institutions » **Staff recruitment & retention challenges** at large banks » Drive for skill-building in developing markets (esp Asia, Middle East)
Areas of Strategic Focus	» Sustain **high retention rates** (>90%) » Expand tools for **under-served credit markets (esp Asia, unrated companies)** » Leverage expertise to **expand ERS solutions**	» Expand footprint in banking » Extend reach into insurance » Build more recurring revenue » Expand reach via partnerships	» Expand footprint in outsourced research & analytics » Extend Canadian certifications franchise to new markets » Build recurring certification revenue
U.S. / Int'l*	53% / 47%	31% / 69%	14% / 86%
Competitive Environment	Limited competition	Highly competitive	Moderate competition
Market Size	~ $3 billion	> $5 billion	~ $3.5 billion
3-to-5 Year Growth Potential	Mid- to high-single-digits	Low-double-digits to mid-teens	High-single-digits to low-double-digits

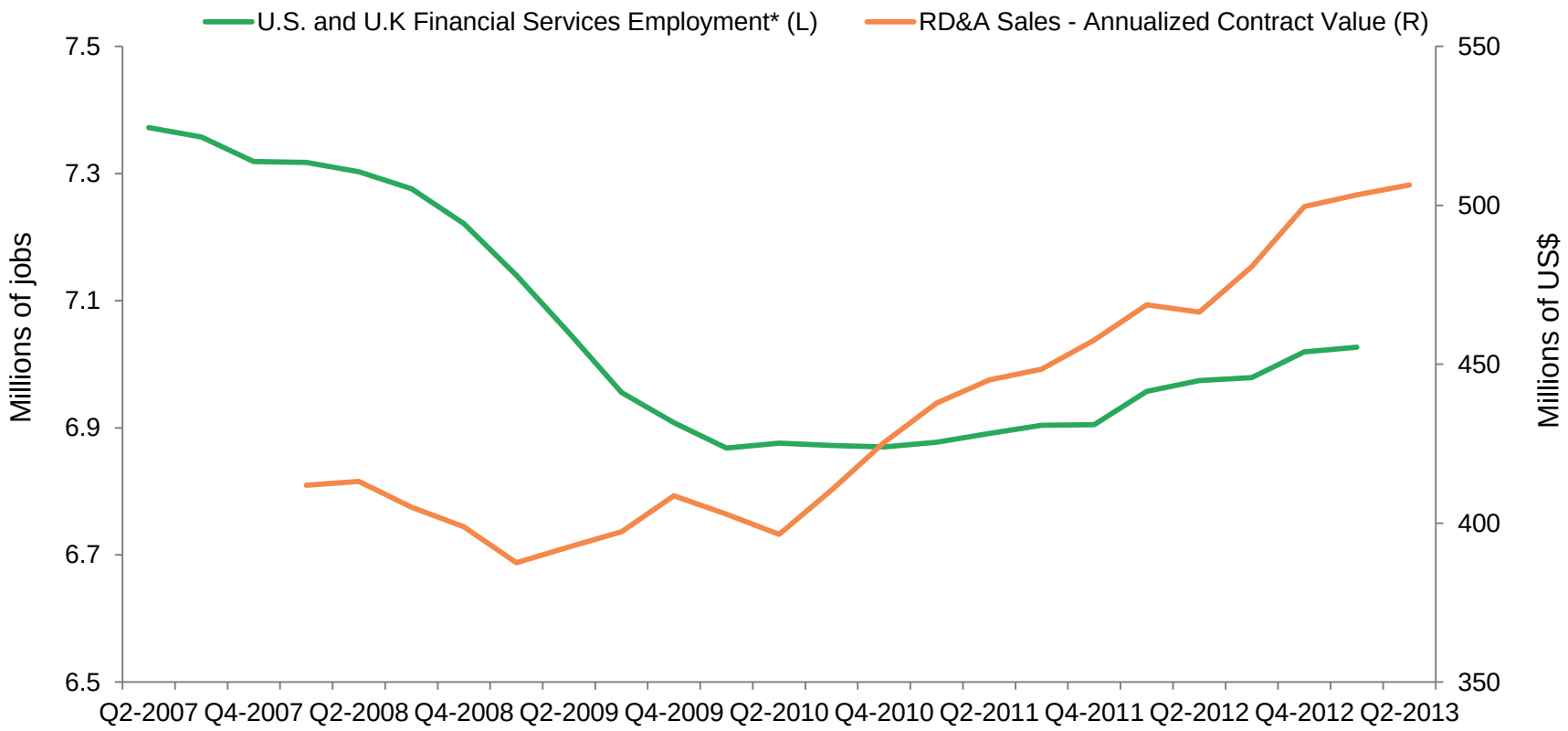
** as a percentage of 2012 full-year revenue*

Moody's Analytics: Product Offering Relevant Across Financial Institutions

		LOAN MARKETS		SECURITIES MARKETS			OTHER	
		Comm'l Lending	Consumer Lending	Investment Management	Investment Banking	Sales & Trading	Risk Mgmt	Treasury
RD&A	MIS research & data	✓		✓	✓	✓	✓	
	Credit market analysis & data	✓		✓	✓	✓	✓	
	Economic research, data, & modeling	✓	✓				✓	✓
ERS	Structured finance analytics			✓	✓	✓		✓
	Software	✓		✓			✓	✓
PROF. SVCS.	Risk modeling	✓	✓				✓	✓
	Training	✓	✓	✓	✓	✓	✓	✓
	Offshore analytical resources	✓		✓	✓	✓		

» Centrally managed sales organization leverages established customer relationships which facilitates distribution of new product

Moody's Analytics: Pricing Model Limits Exposure to Customer Contraction



*U.S. and U.K. financial services employment data only available through Q1 2013. Source: U.S. Bureau of Labor Statistics and the U.K. Office for National Statistics, respectively.

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